DOMINION OF CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

SEVENTH SESSION—TWENTY-FIRST PARLIAMENT

1-2 ELIZABETH II

BEING THE 95TH SESSION FOR THE PERIOD 1867-1953

VOLUME I, 1952-53

COMPRISING THE PERIOD FROM THE TWENTIETH DAY OF NOVEMBER, 1952,
TO THE SIXTEENTH DAY OF JANUARY, 1953, 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, 1953

CANADA

House of Commons Debates

OFFICIAL REPORT

Speaker: The Honourable W. Ross Macdonald

Thursday, November 20, 1952

SEVENTH SESSION—TWENTY-FIRST PARLIAMENT—OPENING

The parliament which had been prorogued earlier this day met again 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 Governor General's Secretary, 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:

NEW MEMBERS INTRODUCED

Romuald Bourque, Esquire, member for the electoral district of Outremont-St. Jean, introduced by Right Hon. L. S. St. Laurent, and Hon. Alphonse Fournier.

Lucien Cardin, Esquire, member for the electoral district of Richelieu-Vercheres, introduced by Right Hon. L. S. St. Laurent and Hon. Alcide Cote.

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:

You resume your labours on behalf of the Canadian people at a time of continuing international tension. Nevertheless, because of the steadfast resistance of our Canadian forces and their comrades in arms to aggression in Korea and because of the increasing strength of the forces of freedom in Europe, there are signs of a lessening of the danger of an outbreak of war on a global scale.

My ministers are convinced that a lasting peace can be assured only so long as the combined strength of the free world continues to be built up and maintained.

The sacrifices of those directly involved in the United Nations police action in Korea and the anxieties of their families are an inevitable and most regrettable part of the price we are paying to prevent another world war.

To meet our nation's international responsibilities certain of my ministers are attending the seventh session of the general assembly of the United Nations.

Because of the continued international tension you will be asked to approve legislation providing for the continuation of the Emergency Powers Act and you will also be asked to provide for the appointment of an associate minister of national defence.

My Prime Minister and my Minister of Finance will attend a meeting of the prime ministers of the commonwealth to open in London later this month to consider important economic and monetary problems.

Her Majesty the Queen has been pleased to set June the second next as the date of her coronation.

Arrangements will be made for Canadian representation at the ceremonies and plans are being formulated for the celebration in Canada of this historic event.

Canada has been blessed this year with a record grain crop.

Our economic conditions remain favourable and the level of external trade is high. While the dangers of inflation have not disappeared, pressures have eased and it has been possible to suspend the operation of some of the anti-inflationary measures.

Speech from the Throne

Under an amendment to the income tax regulations the provisions for deferred depreciation which have been in effect since April 11, 1951, will not apply to property acquired after December 31, 1952, nor to taxation years commencing after that date.

Early in 1953 negotiations will be carried on in Washington for a new international wheat agreement to replace the existing agreement which expires on July 31, next. You will be asked to consider amendments to the Canadian Wheat Board Act.

The international joint commission has issued an order of approval for the development of hydro-electric power in the international section of the St. Lawrence river.

Because of this latest step the Canadian government has informed the government of the United States it considers that the agreement made in 1941 in respect of the St. Lawrence seaway has been superseded.

Pending the establishment of the St. Lawrence seaway authority, an engineering planning staff has been set up in Montreal to begin work on detailed plans for the seaway, and the Gut dam in the river near Iroquois is now being removed.

You will be asked to make financial provision for certain improvements to Vancouver harbour and for engineering studies of that harbour and of other possible improvements to navigation on the Pacific coast. You will also be asked to make further provision for the Canso causeway, the ferry service from North Sydney to Port aux Basques and the terminal facilities at Port aux Basques, and the new ferry service between Yarmouth, Nova Scotia, and Bar Harbor, Maine.

You will be invited to consider a measure to provide for federal co-operation with the provincial governments in the conservation of the water resources of Canada.

To give effect to recommendations made by the standing committee on banking and commerce at the last session of parliament and to extend its scope your approval will be sought for an amendment to the National Housing Act.

Provision has been made for the insertion in all federal government contracts of clauses prohibiting discrimination on the part of the contractor against any person in regard to employment because of that person's race, national origin, colour or religion.

You will be asked to consider a bill to make similar provisions in respect of employment upon or in connection with any work, undertaking or business that is within the legislative authority of the parliament of Canada.

A bill designed to provide greater educational opportunities for children whose fathers died as a result of war service will be placed before you.

You will also be asked to approve a bill to authorize the continuance of the Veterans Benefit Act.

Much has been accomplished since the inauguration in 1948 of the five-year national health grants program to strengthen and improve, in co-operation with the provincial governments, the health and hospital facilities available to our people. To ensure the continued expansion of this important work, my government proposes to ask you to give consideration to the extension, with certain changes, of this program of co-operation with the provincial governments.

You will have learned with regret that the library of parliament has been damaged by fire. The building must soon be vacated, and extensive reconstruction carried out, in order to guard against a repetition of this disaster. These circumstances have made the need for a national library more immediate and more pressing. My ministers have therefore taken steps to bring the library into existence with the least possible delay. A site for the building has been chosen, and you will be asked to make provision for the necessary planning and preliminary work.

At the time television broadcasting was started in Toronto and Montreal in September, the Prime Minister announced that parliament would be asked to provide for the establishment of three additional public television stations, one in the maritimes, one on the prairies and one on the Pacific coast and that active consideration was being given to the role of private enterprise in television broadcasting.

You will accordingly be asked to make provision to enable the Canadian Broadcasting Corporation to establish television stations in the Halifax, Winnipeg and Vancouver areas. My ministers have indicated to the Canadian Broadcasting Corporation that they are now prepared to consider applications for licences for private television broadcasting stations which may be recommended by the Canadian Broadcasting Corporation to serve areas which could not be served at this time by public stations, with the objective of making television as widely available throughout the country as may be feasible through appropriate co-operation between the corporation and private agencies.

A measure will be submitted designed to place the crown in substantially the same position as a private person with respect to liability for acts committed by its servants, for breach of duty arising out of the ownership or occupation of property, and for salvage claims, and also to confer upon provincial courts jurisdiction concurrent with that of the Exchequer Court of Canada to entertain certain classes of claims.

Measures respecting the payment of rural mail carriers will be submitted for your consideration.

To meet conditions resulting from the entry of the province of Newfoundland into confederation and the introduction of new methods of fishing off the Atlantic coast, a bill to revise the Customs and Fisheries Protection Act will be placed before you. You will also be asked to consider legislation to implement the international convention for the high seas fisheries of the north Pacific ocean.

A bill will be introduced to place the historic sites and monuments board of Canada on a statutory basis.

The measure to revise and consolidate the Criminal Code will be re-introduced at this session.

You will be asked to consider legislation to amend the Trust Companies Act and the Loan Companies Act to authorize companies incorporated thereunder to invest in bonds issued by the international bank for reconstruction and development.

You will also be asked to consider legislation to provide for the incorporation by parliament and for federal supervision of co-operative credit societies desiring to operate in more than one province under such legislation.

You will be asked to consider revisions of the Civil Service Superannuation Act; the Food and Drugs Act; the Yukon Act; and the legislation respecting trade marks.

Other measures to be introduced will include amendments to the Trans-Canada Air Lines Act, the Merchant Seamen Compensation Act, the Canadian Citizenship Act, the Statistics Act, the Indian Act, the Farm Improvement Loans Act, the Prisons and Reformatories Act, the Companies Creditors Arrangement Act, the Canada Evidence Act, the Judges Act, the Canada Shipping Act, the Civil

Service Insurance Act, the Canadian Overseas Telecommunication Corporation Act and to the Territorial Lands Act.

Members of the House of Commons:

You will be asked to make provision for all essential services, and for national defence and the meeting of our obligations under the United Nations charter and the North Atlantic treaty, during the next fiscal year.

Honourable Members of the Senate:
Members of the House of Commons:

May Divine Providence bless your deliberations.

MOTION FOR PRECEDENCE OF DEBATE ON ADDRESS

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 Friday next, and that this order have precedence over all other business unless and until otherwise ordered except introduction of bills and government notices of motions, until disposed of.

Motion agreed to.

REPORTS AND PAPERS

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

Report of the chief electoral officer on by-elections held on May 26 and October 6, 1952.—Mr. Speaker.

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 63, said committee to be composed of Messrs. Fournier (Hull), Harris, Casselman, Knowles and Weir.

Motion agreed to.

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. Alphonse Fournier, Minister of Public Works, the Hon. Douglas Abbott, Minister of Finance, the Hon. J. J. McCann, Minister of National Revenue, and the Hon. F. G. Bradley, Secretary of State of Canada, to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of chapter 145 of the Revised Statutes of Canada, 1927, intituled: An act respecting the House of Commons.

HOUSE OF COMMONS

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

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

That William Alfred Robinson, Esquire, member for the electoral district of Simcoe East, be appointed deputy chairman of committees of the whole house.

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. St. Laurent: Mr. Speaker, the house having ordered that the consideration of His Excellency's speech addressed to both houses of parliament do not start until tomorrow afternoon, I move that this house do now adjourn until tomorrow at half past two, in accordance with the amendment to the standing order adopted just prior to the adjournment of the last session.

Motion agreed to and the house adjourned at 4.15 p.m.

HOUSE OF COMMONS

Friday, November 21, 1952

The house met at 2.30 p.m.

COMBINES INVESTIGATION ACT

REPORTS RESPECTING ALLEGED COMBINES

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I should like to table the report of the combines investigation commissioner in connection with an alleged combine in the distribution and the sale of bread and other bakery products in the Winnipeg area, and also the report of the combines investigation commissioner into an alleged combine in the manufacture, distribution and sale of fine papers.

(For complete list of departmental and other reports tabled, see *Votes and Proceedings,* No. 2, of November 21, 1952.)

HOUSE OF COMMONS

RETURN OF MEMBER FOR ST. JOHN'S EAST

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I feel it would be appropriate at this time for me to mention the fact that a member whose very grave injuries made it seem unlikely that he would return to the house is back with us this afternoon. I am sure that in this case I can speak for all members when I say that we all cherish the friendship of one of the most lovable and amiable men whom any of us know. I am sure the hon. member for St. John's East (Mr. Higgins) holds the affection and admiration of all members. I am certain that everyone here is very glad that he has recovered from injuries that at one time seemed extremely grave, and I am sure we are all overjoyed to see him looking as well as he does.

Mr. M. J. Coldwell (Rosetown-Biggar): May I say that I am sure we all join with the Leader of the Opposition in welcoming back our colleague from St. John's East.

IRRIGATION

SOUTH SASKATCHEWAN RIVER—INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to ask the Prime Minister when we may expect the final report of the commission inquiring into the South Saskatchewan river scheme.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I have been quite as concerned about that as my hon. friend. I received from the secretary of the commission a letter dated the 19th of November, 1952, which will perhaps constitute the best answer I can give to the question the hon. member has asked me. The letter is addressed to the Prime Minister and reads as follows:

> The commissioners instructed me some time ago to make arrangements for the printing of the report of the royal commission on the South Saskatchewan river project in advance of presentation of it to the government. There has been some delay in printing which is not surprising in view of the commission's decision to include considerable pertinent material in its report. A number of rather lengthy submissions to the commission are being included as an appendix to the report. This will include the submissions of the provinces of Saskatchewan and Alberta.
>
> I have been in touch with the department of public printing today, and although much work has already been done I am informed that completion of printing, of preparation of the necessary maps and of bookbinding cannot be counted upon until the middle of December or later. As we have noticed in the press that you are planning to attend the commonwealth conference in London, we are planning to present the report to you as soon as possible after your return.

I had been asked if I wished the government to have the report before it was made available to the public and I said that I thought not. I thought there were so many interested in this report that it would be desirable to have it ready for distribution to the public as soon as it was finally presented as the commission's report to the government.

Mr. Coldwell: Then we may expect it before the house adjourns for Christmas?

Mr. St. Laurent: I would be quite as disappointed as my hon. friend if we did not get it before Christmas because we have constantly impressed upon the commission that we are anxious to have it with the greatest possible dispatch.

TAXATION

INQUIRY AS TO POSSIBLE REDUCTION

On the orders of the day:

Mr. George H. Hees (Broadview): I should like to address a question to the Minister of Finance. Will the minister advise the house if the government intends to bring in a new

budget before the end of the present calendar year in order to reduce taxation to a reasonable level?

Hon. Douglas Abbott (Minister of Finance): The answer is very simple. The government has no such intention.

CANADIAN NATIONAL RAILWAYS

HOTEL MANAGEMENT—DEMOTION OF ROBERT PITT

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Minister of Transport. Has he received any complaints with regard to the demotion of Robert Pitt, manager of the Canadian National's Fort Garry hotel in Winnipeg? Has he asked for any investigation? Have the causes of the demotion been investigated by him in any way?

Hon. Lionel Chevrier (Minister of Transport): I have received no complaints. Having made that answer, I presume it disposes of the other two questions; but if my hon. friend presses the matter I can inquire from the officers of the Canadian National Railways—and I will—to ascertain what the position is.

PROVISION OF REFRIGERATOR CARS FOR PRINCE EDWARD ISLAND POTATOES

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I desire to direct a question to the Minister of Transport. Will the minister provide sufficient reefer cars for the farmers of Prince Edward Island to transport their bumper crop of potatoes to a good market with bumper prices? We are short of reefer cars.

Hon. Lionel Chevrier (Minister of Transport): I think that question deserves an answer and I have come prepared to make one. Perhaps the house will bear with me while I make it. The potato crop of Prince Edward Island this year, I understand, is the best in volume for some time and the prices offered for potatoes are extremely attractive to the growers. I am very glad indeed that Prince Edward Island is in a position to benefit from these favourable circumstances.

Naturally the heavy concentrated movement of traffic from the island to the mainland creates a problem for the transportation facilities available. Canadian National Railways is faced with a very heavy requirement of refrigerator cars to handle this potato crop and, naturally, it is practically impossible for the railway management to meet all the requirements at the same time.

In co-operation with the management of Canadian National Railways it has been possible thus far to divert at least 50 refrigerator cars from Montreal to the maritime provinces every day to take care of this movement. The latest figures which I have before me indicate that, since September 1 of this year, nearly 1,500 cars of potatoes have been shipped from Prince Edward Island as against 386 in 1951. This by itself is quite an accomplishment and I feel confident that the Canadian National Railways will be able to take care of all the requirements of the potato growers during the next few months.

It must be realized, of course, that refrigerator cars are at a premium during the winter months, and as most shipments of potatoes from Prince Edward Island are destined to United States points, the problem is aggravated by the fact that many of the cars do not return to Canada as quickly as we would like them to.

I might add that the management of the Canadian National Railways has begun to receive delivery of some 15 cars per day of an order of 500 refrigerator cars.

REVISED STATUTES

INQUIRY AS TO AVAILABILITY OF NEW EDITION

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I should like to ask the Minister of Justice if he is in a position to tell the house when the new Revised Statutes of Canada will be available.

Hon. Stuart S. Garson (Minister of Justice): I have nothing to add to the statement I made before the adjournment of the last session of parliament in which I stated I expected they would be available some time in the month of January or February of 1953.

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MR. J. L. DESLIERES AND SECONDED BY MR. N. C. SCHNEIDER

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

(Translation):

Mr. J. L. Deslieres (Brome-Missisquoi): Mr. Speaker, it is not without some apprehension that I rise to speak in this house where so

many of our great political leaders have spoken since confederation; yet, the generous sympathy shown by my colleagues gives me confidence.

May I first be permitted to thank the Prime Minister (Mr. St. Laurent) for the signal honour he bestows today upon me by asking me to move the address in reply to the speech from the throne, delivered by His Excellency the Governor General at the opening of the seventh session of the twenty-first parliament.

I think I can also express the gratefulness and thankfulness of all Canadians for his continuous and untiring efforts to ensure the good administration of the country.

He has not spared himself and, in the past few months, has continued to show his interest in the progress of our industrial districts. Last August, for instance, he travelled through the Saguenay-Lake St. John district and last September he visited British Columbia.

It is not surprising that, thanks to these numerous contacts with our Canadian way of life, in all its various aspects, the leader of our government should show himself to be so perfectly aware of all our problems, whenever these are brought to his attention.

Through its activity and its competence, our government has succeeded in maintaining in this country economic circumstances so favourable as to have evoked the greatest praise from the other countries of the free world. Not only do these countries think highly of Canada and of its administration, but they send their representatives to this country so that through a study of our methods they may find a solution to their own problems.

The member for Brome-Missisquoi, who has been honoured with the task of moving this address, knows that this honour is more properly borne by the people of his constituency. That is why I feel today a legitimate pride in addressing you on behalf of my constituents.

My constituency is, in a way, a reduced-scale model of Canada, in that it includes all the ethnical and economic elements which, from sea to sea, go to make up our beautiful country.

In the first place, one may find there, as everywhere else in Canada, the descendants of the two great races which have, side by side—and at times in spite of differences of views and opinion—helped build, in this land of America, a nation and civilization which it would be impossible today to confuse with any other, either in Europe or America. We owe this distinction to the mutual and constant co-operation which these two races have shown in order to create a very distinct entity called the Canadian nation.

From an economic viewpoint, one may also find in Brome-Missisquoi, on a reduced scale, all the elements of our economic life, from the different types of agriculture to the development of our natural resources and the manufacturing of finished products.

We do not claim to be able to reach the production records set in some other parts of the country, in one or the other of the different branches of economic activities. However, by virtue of that synthesis, from an economic as well as an ethnical point of view, I get the impression, when setting forth the feelings and the aspirations of the citizens of my riding, that I am speaking for all Canadians regardless of their tongue, their belief or their economic status.

(Text):

It is with great pride, Mr. Speaker, that the people of Brome-Missisquoi share with the rest of Canada the enviable position of having side by side the two great races which have been so instrumental in the tremendous progress experienced by our country since confederation.

This fact in itself is a clear indication of the good will and mutual trust existing in that part of the country which is commonly called the eastern townships. That community has always been a living example of the mutual understanding which must exist between the two great races—an example of the effort to which Canada owes its present high standing in every field of human endeavour and achievement.

Before going further with my remarks, may I extend my respects to you, Mr. Speaker, and assure you of my complete co-operation with you in the high office which you have always filled with dignity and impartiality.

(Translation):

May I now recall two losses which have affected the parliamentary world.

First, I would like to recall the memory of my predecessor whom we mourn: Henri Gosselin. His premature death is for us a deep sorrow.

Mr. Gosselin gave all his time to the welfare of his district, of his province and of his country; he remained for us a model of devotion to public service, ready to sacrifice his time and even his very health.

The House of Commons mourns also the loss of one of its oldest as well as one of its most

congenial members, Joseph Henry Harris, who passed away last month. He represented the Danforth constituency in the house since 1921; all those who have had occasion, in the course of his active career, to come in contact with him have keenly felt his death, no matter what their political affiliation may be.

Since the last session, Mr. Speaker, many events have taken place on the Canadian political stage; I shall mention only the most significant ones in the national and international field.

We have been informed to our great pleasure of the appointment of the Hon. R. W. Mayhew to the post of first Canadian ambassador to Japan. The Hon. Mr. Mayhew had been Minister of Fisheries since June 11, 1948; he took part in the peace conference with Japan and twice returned to that country as the official representative of Canada. He also contributed to the drawing up of the Colombo plan. Because of his great knowledge of Asia and Asiatic affairs, as well as of the active part he generally took in the nation's business, he is particularly qualified to occupy this important post.

It gives me pleasure to congratulate the member for Coast-Capilano (Mr. Sinclair), who was recently appointed a member of Her Majesty's privy council and Minister of Fisheries. Since 1940, the new Minister of Fisheries has contributed in more ways than one to the good administration of this country, both through his contribution to the debates of the house and in his capacity as parliamentary assistant to the Minister of Finance.

I also would like to extend my congratulations to the member for Vancouver Centre (Mr. Campney) who has been made a member of Her Majesty's privy council and appointed Solicitor General of Canada.

Though he is rather a newcomer on the political scene, he brings to his new duties a long experience of public life gained both through the exercise of his profession and as secretary to the Right Hon. W. L. Mackenzie King and the Hon. James Malcolm. He also distinguished himself as chairman of the national harbours board and as parliamentary assistant to the Minister of National Defence.

I refer with great pleasure to the presence in the house of the newly-elected members for Outremont-St. Jean (Mr. Bourque), and Richelieu-Vercheres (Mr. Cardin). Both have gained an enviable reputation and will I am sure be a credit to their constituents.

Together with the other nations of the free world, all Canadians must be proud of our soldiers who are fighting so valiantly in Korea, for they stand guard and fight on the United Nations' first line of defence, not only for the immediate protection of the South Koreans, but also for the preservation of our own freedom which is under the constant threat of communist aggression.

People generally do not realize to what extent Canada's armed forces have been increased in my province.

In recent years, the Valcartier camp has become a vast and permanent area for military training.

There are already in Quebec a number of major defence establishments such as the vast stores depot at Longue Pointe, the naval supply depot at Ville La Salle, the fighter bases at Bagotville and St. Hubert, not to mention the great many radar stations, etc.

The admission centre for airmen and airwomen from all parts of Canada has been established in St. Johns.

In Quebec city, our navy has established the Montcalm school where recruits of French descent study together under French-speaking officers and instructors. The number of applicants has exceeded the school's capacity.

We have also witnessed the steady improvement of the Quebec citadel. Repairs were made with imagination and logic, so as to bring out the original characteristics of these ancient structures.

On this splendid historic site we find not only the governor general's residence, but also a whole series of military structures, so that the citadel is second to none among comparable establishments; it is the ideal headquarters, the ideal home of one of the most glorious regiments, the Royal 22nd.

Finally, last week, His Excellency the Governor General officially opened a new college, the St. Johns Royal Military College. Young Canadians from all over Canada are following its courses. A good majority of the students are French-speaking. This is the first really bilingual establishment of the kind on this side of the ocean. One may see in this gesture the acknowledgment of the importance of the French-speaking element in our confederation. This is a step forward in the field of military training in Canada. It is the recognition of the essential unity of our country.

For that initiative and the spirit which inspired their achievement, we must—and the whole province is of that opinion—congratu-

late very warmly the government and the Minister of National Defence (Mr. Claxton).

The people of Quebec have followed with legitimate pride the feats of arms of the Royal 22nd Regiment in Korea. These achievements and others that I could mention have given us very great satisfaction.

In the international sphere, I must draw attention to the various international conferences held in Canada, the Commonwealth Forestry Association's conference, that of the International Red Cross, held in Toronto and, finally, the conference held by the Commonwealth Parliamentary Association, in which we are specially interested.

It is interesting to note that nearly one hundred delegates, representing forty-eight sections of the association, accepted the invitation of the Canadian section to attend that parliamentary conference. It is also interesting to note that representatives of the United States of America and of the republic of Ireland took part in some of the debates, during that conference.

During their stay in Canada, the delegates of the commonwealth nations had the privilege of visiting Canada from coast to coast and of familiarizing themselves with our Canadian institutions.

Allow me, Mr. Speaker, to congratulate you in your capacity as joint chairman of the Canadian section, along with all those who co-operated with you in making this meeting and this journey such outstanding successes.

There is yet another example of the high regard in which the nations of the world hold Canada and its representatives, and that is the election of Mr. Pearson as president of the general assembly of the United Nations Organization.

It might be well to recall that the Right Hon. the Prime Minister and the Minister of Finance (Mr. Abbott) will attend at the end of this month, in London, a meeting of commonwealth prime ministers which has been called to discuss ways and means of solving the monetary troubles of Great Britain.

From a national point of view, Mr. Speaker, it is only fair to mention the numerous advantages which accrue every day to every Canadian through the health assistance plan put into effect by the Department of National Health and Welfare.

Recognizing the value of our human resources, the Canadian government has promoted the extension of health and hospital facilities, the multiplication of the number of hospital beds, by providing the provinces with considerable sums for this very purpose, these grants running into several million dollars.

It has given this help, not by substituting itself for the provinces, but on the contrary, with their co-operation, by acting jointly with them in the implementation of this great undertaking.

In announcing some of the bills to be brought down, the governor general has proved beyond doubt the great concern shown by the government for the preservation of the high standard of living enjoyed by our people, as well as for the consideration which should be given to all classes of our people. Incidentally, the government's intention of improving the rural mail carrier's lot should receive the unanimous support of all members of this house.

In pursuance of the Massey commission's report, and following the assistance given to the Canadian Broadcasting Corporation and the universities approved by the provinces, the act respecting the establishment of a national library will receive without any doubt the support of all Canadians, who see in the implementation of such a project a measure which meets the intellectual and cultural needs of our nation.

In this connection, may I mention the justified tribute which was rendered, last September, by the academic world of Canada to Quebec's Laval university, on the occasion of its centenary, thus recognizing this university's contribution to the intellectual development of our country.

The bill concerning the St. Lawrence seaway bears witness to the industrial and economic expansion of our country. This vast project, which will make the very centre of the North American continent accessible from every ocean, will tighten the geographic links which exist with the other free countries, whose peoples are already morally won over to the Canadian ideal.

Because of all this, Mr. Speaker, I have the honour to move, seconded by the hon. member for Waterloo North (Mr. Schneider):

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.

(Text):

Mr. N. C. Schneider (Waterloo North): Mr. Speaker, I wish first to express my appreciation and thanks to the Prime Minister (Mr. St. Laurent) for his kindness in giving to me the honour and distinction of seconding the motion for the address in reply to the speech from the throne. The senior honour of moving the address in reply quite properly goes to my friend the hon. member for Brome-Missisquoi (Mr. Deslieres). I have been a Canadian for the past one hundred and seven years; my hon. friend has been a Canadian for the past three hundred years or more. I wish to extend to him my compliments on his excellent speech and to express my admiration for his fluency in both French and English. My hon. friend is the mayor of Sutton, Quebec; he is a wonderful example of a good Canadian, and I envy him his proficiency in both languages.

In my province of Ontario there is definitely a new and better understanding of our fellow Canadians in Quebec and other French-speaking areas. A good part of this improved *bon accord* is due to our love and respect for our Prime Minister. I have not heard one word of criticism of our Prime Minister; on the contrary, I hear many words of praise for his abilities as a leader and as a promoter of national unity.

I wish to express the thanks of our people of Waterloo North for the honour bestowed upon us in the selection of our former representative in this house for the office of lieutenant governor of Ontario. Hon. Louis O. Breithaupt will justify this selection and his name will be added to the list of native sons who have brought honour to our riding, including our late prime minister, William Lyon Mackenzie King.

The William Lyon Mackenzie King memorial home "Woodside" on Spring street in Kitchener has been completely rebuilt and furnished with many of the original pieces from the King home. The boyhood home of one of our greatest Canadians is now preserved as a national memorial and is open to visitors.

The county of Waterloo was settled by the Pennsylvania Dutch in the year 1799, almost two hundred years after Champlain founded the city of Quebec. Our people by their industry, thrift and integrity have built an agricultural and industrial community second to none in Canada. This year the county of Waterloo held a centennial celebration of the founding of the county with an excellent pageant in our beautiful Waterloo city park, showing the coming of the Dutch to the northern part of the county and of the Scottish to the southern part, followed by the English, Irish and Germans. Whatever they may have been at one time, they are now Canadians all. The war loan drives and dominion savings bonds drives have demonstrated their thrift in the following results: The grand total of victory loan bonds sold in Waterloo North was $256,729,000; for Canada savings bonds the total was $12,923,000. May I tell the house that we are the kind of people who do not worry about a surplus but who would worry ourselves sick about a deficit.

While it is true that our citizens of the Mennonite and Amish religions claim exemption from military service, they bought their share of war bonds amounting to a half million dollars with the stipulation that they would accept no interest whatever. Another half million dollars was subscribed in bonds bearing the Red Cross stamp which indicated that the money was to be used for humanitarian purposes. It is also significant that the national revenue department has recently opened a new district income tax office in Kitchener.

Recruiting for active service in Waterloo North has always been excellent and, in spite of poor quarters, our four militia units carry on an active training program. Our largest and oldest unit is the 54th light anti-aircraft battery, formerly the Scots Fusiliers of Canada. Their barracks is the sixth floor of an office building and they are working under difficulties. The 24th field ambulance is quartered in an old abandoned post office, while the 48th field squadron of engineers and the No. 3 transport company of the Royal Canadian Army Service Corps are quartered in a drill hall and other temporary wooden structures at Knollwood Park, which were used for army training in the last war. A navy unit is being organized by a group of naval veterans and a proper armoury is really needed for these five services. The enthusiasm and loyalty of these experienced officers and men should be encouraged. With the present substantial and necessary defence expenditure, we are at present not pressing with the department our claim for an armoury. We have been assured that when the present emergency passes, consideration will be given to providing a suitable armoury for Waterloo North, but I do suggest that there will be a real advantage to the government in increased defence activity as soon as the armoury is built.

Our young men are also air-minded and the Waterloo-Wellington airport is the home of the Waterloo-Wellington flying club with 250 members and an active unit of the Royal Canadian Air Force Association. Air cadets and air force association members from Kitchener, Waterloo, Guelph, Galt, Preston and

Hespeler also use this airport, and we are grateful for the government assistance which made this airport possible.

A river conservation and flood control program is proceeding in the valley of the Grand river. A small control dam has been built in the Luther marsh and a large dam has been built above the town of Fergus. Preliminary surveys and tests have been made for an additional conservation dam on the Conestogo river in Waterloo North at Glenallan. This will complete this phase of the Grand river plan. We note that the government proposes to place assistance for projects of this kind on a more permanent basis.

Our people in Waterloo North have struck a happy balance between agriculture and industry. A tour through the riding with its well cultivated rolling farm lands and the good appearance of its large barns and neatly kept homes gives evidence of the fertility of the soil, the steady-going industry and thrift of the farmers, and the care and good management by their ladies. Two large meat packing houses and several smaller plants provide a good domestic and export market for the large production of livestock. Mixed farming is the rule, and we never have a general crop failure. Manufacturing is highly diversified in the cities of Kitchener and Waterloo and the town of Elmira. Kitchener has 158 industries employing 16,000 people and producing rubber goods, leather, food products, furniture, shoes, felt, textiles, twine and machinery to the value of $138¼ million in 1951. Waterloo is recognized as a great insurance and manufacturing centre, and Elmira has taken a leading place in the production of clothing, machinery and chemicals.

Our people engaged in agriculture take this opportunity to express their thanks to the Department of Agriculture under the leadership of Right Hon. J. G. Gardiner and to his capable and hard-working staff. When the hoof-and-mouth epidemic struck and all export trade was stopped by embargoes a very serious situation arose in the problem of the disposal of the large surplus of meats. The placing of floor prices under livestock products definitely saved that industry from certain ruin. The total cost of the foot-and-mouth epidemic to the country has been unofficially estimated at $30 million. Without the floor prices and the government support buying, livestock prices could have dropped to 15 cents or even 10 cents instead of holding at 25 cents and 26 cents. This could have resulted in a loss of up to $200 million to the producers. After observing the prolonged difficulties of other countries with foot-and-mouth disease, in some cases for four or five years, we are indeed fortunate in having it cleaned up so quickly.

The interests of the people of Waterloo North are not confined entirely to trade and commerce. For the past twenty years the city of Waterloo has held an annual band festival which has steadily developed in size and popularity under the leadership of Professor Charles F. Thiele, Waterloo bandmaster, recently retired. This June we had sixty-nine bands in attendance from all parts of Canada. The audience varies from twenty to twenty-five thousand each year. This year three additional musical productions were presented in the beautiful new memorial auditorium in Kitchener. The Salvation Army presented a mass band concert by nineteen bands to a full house. An audience of 6,000 attended a mass male choir concert by 500 singers in nineteen choirs from Canada and the United States. The interest of the youth of Kitchener was demonstrated last week when a small club in the Y.M.C.A. organized and produced a concert presenting the Toronto Symphony Orchestra and three world-famed artists to an audience of 7,000 people.

I wish to express my thanks to you, Mr. Speaker, and to the Minister of Public Works (Mr. Fournier) for the public address system installed in this chamber during the summer recess. As a backbencher, seated in a corner where it has been exceptionally hard to hear, my deskmate and I have been very discouraged at times. It was a surprising but common occurrence to have to learn from *Hansard* of an important statement made in the house while we were present. We are very grateful and hope the public address system is a success in every way. As a new and inexperienced member, may I be permitted to express the hope that this system may never be called upon to transmit anything but constructive and helpful speech. With the reduced hours announced by the special committee on house procedure we should, as members, make every effort to expedite the work of the house by avoiding unnecessary wear and tear on this equipment.

In the speech from the throne we are reminded that there is a continuing international tension, but because of the increasing strength of the forces of freedom in Europe there are signs of lessening of the danger of an outbreak of war on a global scale. This optimistic outlook is very good, but I am sure most Canadians are in agreement with the policy of the government in proposing legislation providing for continuation of the Emergency Powers Act. I believe

most Canadians have now recognized the regrettable fact that the only safeguard we have against a possible third world war is military preparedness.

While I am on the subject I would like to say a few words to our rocking chair critics of defence spending. I spent some time in military service. It was under the Conservative government in the first great war. In contrast with my business training I was shocked at the wastage of food and the poor management of what I would call the business of the army. I am not criticizing the Conservative government particularly for the wastage I saw. Soldiers are trained to destroy the enemy. That is their main interest and purpose. Parliament agrees that a strong military force is our only salvation.

Recently a few newspapers have been using figures on the purchase of stores and clothing for our armed forces in a way which misrepresents the facts. They try to suggest excessive purchases of clothing, by the device of dividing quantities purchased by the number of personnel in the active forces.

To start with, as those who use these figures know or should know, clothing is also provided for the reserve forces and cadets whose numbers are more than equal to those of the active force. Moreover, they know or should know that certain items are being stockpiled against a possible emergency. They know or should know that in calculating requirements of clothing or barrack stores there are additional factors to be taken into account such as sizing, distribution, lead time, and so forth. All these facts and factors were put before the defence expenditure committee, yet the campaign of misrepresentation goes on. They also fail to recognize the scale on which purchases must be made to provide for a defence program as large as ours, coupled sometimes with a reluctance to see our servicemen provided with the kind of amenities available to the average Canadian.

As a businessman I feel that defence expenditures should be no higher than is necessary for any emergency which might arise and I have full confidence in the army and the Department of National Defence. We have not forgotten the serious shortages of practically everything when we entered the second world war.

I feel that the following sentence in the opening remarks of the speech from the throne should be emphasized and brought home to every Canadian:

> The sacrifices of those directly involved in the United Nations police action in Korea and the anxieties of their families are an inevitable and most regrettable part of the price we are paying to prevent another world war.

[Mr. Schneider.]

The termination of deferred depreciation on December 31 of this year will be a welcome step toward the relief of hard-pressed business in these times of excessive high operating costs. In operation since April 11, 1951, it has been an anti-inflationary measure and has effected its purpose. As a businessman I hope that this is the first of many such concessions toward an easier burden on business and taxpayers generally.

The insertion of a clause to prohibit discrimination against any person in regard to employment on any federal contract will be welcomed by all true Canadians. Discrimination regarding race, national origin, colour or religion must never be tolerated in Canada. This can happen in Canada, as was proved in my riding in the first world war where many new Canadians were denied their vote even though they had lived most of their lives here and had sons in the Canadian army in the trenches in France.

Regarding consideration of the extension of the program of co-operation with the provincial governments in health and hospital facilities, evidently the intention is to carry on and complete the program outlined by our former prime minister, Right Hon. William Lyon Mackenzie King, in his speech on May 14, 1948. What further facilities are to be considered I do not know, but let us keep in mind that the Liberal government has already invested over $150 million of federal funds in hospitals and health measures in the provincial field, and Liberal governments have a good record for finishing anything they start.

One matter regarding health services I feel I must speak on is the means test at present imposed on the $40 per month pension paid to our blind under the present act. The blind are less able to supplement their pensions than persons over 70 years of age, who are not subject to the means test. The act at present stipulates that the pensioner's total income must not exceed $840 per year for a single person or $1,320 for a married person. These figures are considerably less than our Income Tax Act expects normal people to live on, namely $2,000 per year for a married couple and $1,000 for a single person. Application of the means test to blind persons as at present merely discourages them from helping themselves. They cannot participate in normal recreation or labour. Many who have found congenial occupation would rather work full time than be bored doing nothing. After studying this matter fully I hope the house will agree that the means test as applied to the blind is outdated and unfair.

The proposal to extend television by establishing additional broadcasting stations at

Halifax, Winnipeg and Vancouver is according to plan, and we are glad to note that applications for private licences may be considered when recommended by the C.B.C. to serve areas which cannot be served by public stations. Observing the mistakes which have been made in other countries, Canadians are anxious that this service be held under full control. It is my conviction that with 90 per cent of the people of Canada using radio receiving sets, it is now reasonable that we should discontinue the $2.50 licence fee per home and put the costs in the general tax.

It has not been my privilege to be in the house for any length of time—only a matter of a few weeks—and I hope that what I have said, or what I am about to say, will not be misconstrued, coming as it does from one who is not yet familiar with procedure in the house. As a businessman accustomed to quick decision and action I have been disappointed in the amount of time spent on debate on matters that could surely be settled much quicker without risk of making a mistake. The right to express our opinions is the assured privilege of everyone in the house, but I feel that we should also consider the serious loss of time to all members when we are forced to listen to endless repetition and quotations.

We are a growing country and parliament will have to grow with it in such a manner that we can dispose of the increased business smoothly and efficiently. This is a shortcoming of parliament; but I think in fairness to the Canadian people I ought to conclude by referring to the steadily growing pride among our people in the clean, honest government we have enjoyed in Canada. Much has been said about this but I think the Ottawa *Journal* of August 27, 1952, put it in a few words when they said on this point:

> To the eternal credit of our public men no man in this country today dares to rise and say, or can say with truth, that a single cent of the billions spent was diverted to a private pocket from its proper channel.
>
> For our democracy, whatever its shortcomings, that is a glory.

Mr. Speaker, I have great pleasure in seconding the motion by the hon. member for Brome-Missisquoi (Mr. Deslieres).

On motion of Mr. Drew the debate was adjourned.

On motion of Mr. St. Laurent the house adjourned at 3.40 p.m.

HOUSE OF COMMONS

Monday, November 24, 1952

The house met at 2.30 p.m.

THE MINISTRY

APPOINTMENT OF ASSOCIATE MINISTER OF NATIONAL DEFENCE

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I should like to lay on the table order in council P.C. 4553 passed this day, which reads as follows:

His Excellency the Governor General in Council, on the recommendation of the Minister of National Defence and under and by virtue of the powers conferred by section 5 of the National Defence Act, is pleased to designate and doth hereby designate the Solicitor General of Canada as a person who, in addition to the Minister of National Defence, may exercise any power or perform any duty or function that is vested in or that may be exercised or performed by the Minister of National Defence under the National Defence Act, provided that such exercise of power or performance of duty or function shall not depart from the manner in which the Minister of National Defence may have previously determined that such power should be exercised or such duty or function should be performed.

Hon. members will have noticed that legislation was forecast in the speech from the throne to provide for an Associate Minister of National Defence. Provision is made in existing legislation for associate ministers in time of war, but no provision now exists for an appointment in peacetime. The government might of course have made such provision under the Emergency Powers Act, but it was felt preferable to ask parliament to make the provision in regular statute form, and if that is done it is my intention, which I have already communicated to the Governor General, to submit to him a formal recommendation for the appointment to this post of the present Solicitor General. Meanwhile it was felt desirable to use the power vested in the governor in council by parliament under section 5 of the National Defence Act to empower the Solicitor General to perform the function, which would, in due course, be attributed to the Associate Minister of National Defence.

The Solicitor General was, until he became a member of the ministry, parliamentary assistant to the Minister of National Defence, and there is a real need not only for continuity but for the assumption of an increased share of responsibility for the heavy burden of that department. This is particularly desirable at this time as it is going to be necessary during the course of this session for the Minister of National Defence to attend a meeting of the North Atlantic council in Paris, and while he is absent the Solicitor General will be Acting Minister of National Defence, and it is important that he should have adequate background in the meantime.

As hon. members know, a number of countries at the present time have, in addition to an over-all minister of defence, a minister for each of the three services. That is the situation in the United Kingdom, the United States, France and Australia. We have, however, considered it preferable in Canada to stress the unification of the services for purposes of administration under the control of a single minister, a single deputy minister and a single department. We believe that our system has demonstrable advantages and that the appointment of separate service ministers at this time would be a retrograde step.

As the defence program developed, it might have been expected that the volume of work required of the minister would have become lighter. That has not been the case. Unfortunately the prolonging of the conflict in Korea, the build-up of our forces in Europe, and our relations with the North Atlantic Treaty Organization, as well as greatly increasing the responsibilities of administering the department, have also made it necessary for the minister to be absent from the country from time to time.

That is why the Minister of National Defence and I have, for some time, been considering the possibility of making some division of the work of the Minister of National Defence. In view of the developments I have mentioned, we came to the conclusion that it is desirable here, for the time being at least, to have an associate minister as a full member of the cabinet who would participate, with ministerial authority and responsibility, in the supervision of the more immediate matters of administration which would leave the Minister of National Defence with more time for matters of general policy consideration of defence planning and relations with the defence forces of other countries.

No attempt has been made in the order in council I have read to delimit precisely the functions of the two ministers, and it is probable that no attempt will be made to do so in the legislation to be submitted later in

the session. Obviously, a relationship of this sort can only be successful if there is the completest mutual confidence and co-operation between the ministers, and there is every advantage in having the arrangement as flexible as possible.

It is intended that the present arrangement under section 5 of the National Defence Act will be continued until such time as the house has had an opportunity to consider the legislation to be introduced to provide for an Associate Minister of National Defence, under that designation.

COINAGE

ORDER IN COUNCIL GOVERNING MINTING OF FIVE-CENT PIECE

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, I desire to table two copies of order in council P.C. 4525 dated November 19, 1952, revoking the amendment passed under the Emergency Powers Act authorizing the minting of the five-cent coin of steel. Perhaps I might add that that order is being passed concurrently with the orders under the new Currency Act which provide for minting new coins with the effigy of our new sovereign, Queen Elizabeth II. Proclamations to that effect are today or tomorrow being issued concurrently in London, Ottawa, and other capitals of the commonwealth.

EMERGENCY GOLD MINING ASSISTANCE ACT

FORMULA FOR CALCULATION OF ASSISTANCE PAYMENTS DURING 1953

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, since I do not expect to be in the house for some little time after today I should like to make a statement regarding the proposed amendment to the Emergency Gold Mining Assistance Act.

Hon. members will recall that during the last session legislation was approved extending the Emergency Gold Mining Assistance Act to cover the calendar years 1952 and 1953. This legislation was brought forward by the government because of the continuing special difficulties of the industry as a result of rising costs and a fixed price for the industry's product.

During 1952 the industry's costs have continued to rise. At the same time the appreciation in the exchange rate for the Canadian dollar has meant that for most of the year the mines have received a steadily decreasing return from their sales. A number of mines have been forced to close and others are being placed in a position where they might soon be compelled to take this step. During the last month the government has received representations from both the gold producers and the municipal authorities of the principal communities affected setting forth the special difficulties which face the industry at this time. The government has now decided that, in order to prevent the further closing of mines and the consequent hardship which this would cause to communities largely or wholly dependent on them, adjustments should be made to the Emergency Gold Mining Assistance Act with a view to assisting the industry in meeting the special difficulties with which it is confronted.

In view of the desirability of giving advance notice of the conditions upon which gold mining assistance will be paid during 1953 in order that the industry may be able to plan its operations for the new year, I desire to announce that the government has now decided to introduce legislation amending the Emergency Gold Mining Assistance Act effective as from January 1 next. The proposed amendment will broaden the formula for the calculation of assistance payments during the calendar year 1953 by changing the method of calculating the rate of assistance element in the formula. The act in its present form defines the rate of assistance as one-half of the excess of the cost of production per ounce over $22, with a maximum of $11.50. The proposed amendment will change the definition of the rate of assistance to one-half the excess of the cost of production per ounce over $18, with a maximum of $13.50. No change will be made in the other component of the formula; the new rate of assistance will be applicable to the number of ounces of gold produced by a mine in 1953 in excess of one-half of base year production, or one-half of 1953 production, whichever is the larger.

All I need add at this moment is that this modification in our gold assistance formula has been discussed with the international monetary fund, which has raised no objection. In conclusion, may I express the belief that this proposal will be of further assistance to the industry generally in meeting its special difficulties, and will enable the continued operation of many mines in communities which are dependent upon them.

Mr. Donald M. Fleming (Eglinton): I wonder if I might ask the Minister of Finance to clarify one or two points in connection with his statement. First, is it clear there is no provision for the industry in 1952?

Mr. Abbott: That is correct.

Mr. Fleming: Has any progress been made toward raising the prices at which gold may be sold to the United States or other world buyers?

Mr. Abbott: As my hon. friend is aware, that is a matter which really does not depend on the policy of the government.

Mr. Graydon: Could you not make it apply this year?

INDUSTRIAL RELATIONS

AMENDMENT OF CHAPTER 54, STATUTES OF 1947-1948—VOLUNTARY REVOCABLE CHECK-OFF OF UNION DUES

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 2, to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off).

Motion agreed to and bill read the first time.

DIVORCE JURISDICTION

EXCHEQUER COURT TO HAVE JURISDICTION IN ACTIONS ORIGINATING IN QUEBEC AND NEWFOUNDLAND

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 3, to provide for the jurisdiction of the Exchequer Court of Canada in matters of divorce.

Motion agreed to and bill read the first time.

FAIR EMPLOYMENT PRACTICES

PROVISION AGAINST DISCRIMINATION ON ACCOUNT OF RACE, CREED OR COLOUR

Mrs. Ellen L. Fairclough (Hamilton West) moved for leave to introduce Bill No. 4, to promote fair employment practices in Canada.

Motion agreed to and bill read the first time.

WHEAT

QUOTAS FOR DELIVERIES—PROSPECTS FOR MARKETING

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to ask a question of the Minister of Trade and Commerce in connection with increasing the quotas for wheat deliveries in the prairie provinces. I should like to ask him, too, what the prospects are for the marketing of the wheat that was in storage, not only in the line elevators but also the terminal elevators, so as to make room for wheat that is lying out in the fields.

Right Hon. C. D. Howe (Minister of Trade and Commerce): The hon. member for Lake Centre (Mr. Diefenbaker) was kind enough to give me notice of his question.

Hon. members are aware of the very real storage and transportation problems which have been created by the size of this year's crops. The latest estimate by the dominion bureau of statistics indicates that 664 million bushels of wheat alone will be harvested in western Canada. The ten-year average 1940-50 western wheat crop was 350 million, so really we have almost two crops in one. It must be remembered, also, that perhaps 285 million bushels of grain were harvested this spring from last year's crop.

In spite of the scope of the problem, however, I am pleased to be able to advise the house that substantial progress is being made. The Canadian wheat board started out the crop year with a delivery quota for new crop wheat of 5 bushels per acre, and announced that this quota would be increased as circumstances permitted. Today there are only 264 delivery points still on the 5 bushel quota; 913 points are on an 8 bushel quota; 377 on a 10 bushel quota; 178 on a 12 bushel quota; and 349 on a 15 bushel quota.

As is customary at this time of the year, the Canadian wheat board has been concentrating on a short-haul program to move the greatest possible quantity of grain to the lakehead before the close of navigation. This has tended to favour Manitoba and certain Saskatchewan points. After December 1, however, the board and the railways will be able to concentrate on the points which have the lowest delivery quotas and a policy of "equalization" will be followed. In view of the comparatively small number of points still on a five-bushel quota, it will not take a great number of cars to relieve the situation at those points and I am confident that the month of December will see a still further reduction, and I think a substantial one, in the number of points still on the lowest quota.

Producers' marketings to date of all grains total 310 million bushels as compared with 265 million last year. The board advises me that there are good prospects that a total of 400 million will be achieved by the end of December. That will represent, I think, very substantial progress even considering the quantities still to come.

Shipments from country points to date total 245 million bushels as compared with 210 million for the period last year, and a

heavy movement continues. It is expected that approximately 40 million bushels space will be available at the lakehead at the close of navigation. In general, once that space is filled, and once storage becomes congested, further deliveries depend on sales. In this respect I am pleased to be able to advise the house that the volume of sales of wheat, oats and barley by the Canadian wheat board to date has been gratifying. The board has made very heavy sales commitments, which in turn will be reflected in heavy internal movement. Exports to date are well ahead of last year when, hon. members will remember, a new record was set.

Answering the latter part of the question by the hon. member for Lake Centre, I would say that a steady movement of grain from the farm to elevators will be continued, but the physical size of the problem must be kept in mind at all times. The board has announced, however, that for the winter period at least the policy will be not to raise quotas over 15 bushels at any delivery point. In that way, every opportunity will be given to raise the points with lower quotas until they all reach that figure, which must be regarded as the maximum for the time being.

LOSS TO PRODUCERS FROM INCREASED VALUE OF CANADIAN DOLLAR

On the orders of the day:

Mr. P. E. Wright (Melfort): In view of the statement which the Minister of Finance has just made concerning the gold mining industry, I would ask the minister if he would give the same consideration to the wheat producers that he has indicated will be given to the gold mining industry, owing to the loss which wheat producers are suffering as a result of the increased value of the Canadian dollar.

Hon. Douglas Abbott (Minister of Finance): The minister gives similar consideration to all groups of Canadians.

Mr. Fleming: And does very little for them.

QUESTION AS TO EXTENSION OF STORAGE FACILITIES AT CHURCHILL

On the orders of the day:

Mr. R. R. Knight (Saskatoon): I should like to ask the Minister of Trade and Commerce a question of which I have sent him notice. In view of the increasing difficulties of storing and transportation of grain in western Canada already indicated in a former question, is it the intention of the government to make immediate provision preparatory to the extension of storage space at the port of Churchill?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Perhaps that question should be directed to the Minister of Transport.

[Mr. Howe.]

However, I may say that the government is aware of the desirability of additional storage at the port of Churchill. Consideration will be given to the problem at such time as building conditions at that port return to normal.

HOGS

QUESTION AS TO FLOOR PRICE

On the orders of the day:

Mr. H. O. White (Middlesex East): Can the Minister of Agriculture say whether the $23 floor price for hogs, as announced on September 30 last, will be put into effect as of January 1, 1953?

Right Hon. J. G. Gardiner (Minister of Agriculture): Yes, Mr. Speaker, that is the intention.

FIRE

DAMAGE TO TOFINO AIR BASE

On the orders of the day:

Mr. G. R. Pearkes (Nanaimo): May I direct a question to the Minister of National Defence? Can the minister give the house any information concerning the fire at the R.C.A.F. station at Tofino last week, and the reason for the censorship and monitoring of conversations over the government telephones which followed that occurrence?

Hon. Brooke Claxton (Minister of National Defence): A fire occurred at the mobile equipment building at Tofino, Mr. Speaker, on the morning of November 22. The cause of the fire is still unknown, but is being investigated. There was no censorship of any kind.

OLD AGE PENSIONS

QUESTION AS TO REPEAL OF FORMER ACT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Prime Minister? I am addressing it to him in the absence of the Minister of National Health and Welfare. Can the Prime Minister say when the former Old Age Pensions Act will be repealed so that provinces like Manitoba, which are pressing needy pensioners to make repayment and which are still making recoveries out of the estates of deceased pensioners, can discontinue this practice?

Right Hon. L. S. St. Laurent (Prime Minister): I do not want to be unduly critical, Mr. Speaker, but during the last session I understood your ruling had been that questions should not be put to convey information, as seems to be the case here. The matter of repealing the Old Age Pensions Act is one about which there is correspondence

between this government and the provincial governments. As that correspondence is being conducted on our behalf by the Department of National Health and Welfare, perhaps the parliamentary assistant would be able to tell the hon. gentleman just what stage it has reached at this time.

Mr. E. A. McCusker (Parliamentary Assistant to the Minister of National Health and Welfare): I want to thank the member for Winnipeg North Centre for giving notice of this question. A similar question was answered by the Minister of National Health and Welfare (Mr. Martin) on June 24, page 3610 of *Hansard*, and on June 27 last, page 3833 of *Hansard*. It is the intention of the government to proclaim the repeal of the Old Age Pensions Act as soon as there is agreement from the provinces which co-sponsored this act that this should be done. Not all of the provinces have yet agreed on the desirability of repeal at this time, but it is hoped that agreement will be reached shortly so that the necessary proclamation can be made.

Mr. Knowles: Would the parliamentary assistant permit a supplementary question? Can he say which of the provinces have not yet agreed to that repeal?

Mr. McCusker: No, I do not propose to say.

PRISONERS OF WAR

MALTREATMENT AWARDS TO THOSE IN GERMAN CAMPS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Will the Prime Minister say whether consideration is being given to the granting of maltreatment awards to Canadians who endured undue suffering in German prisoner-of-war camps, similar to the awards being made to those who were in Japanese hands during world war II?

Right Hon. L. S. St. Laurent (Prime Minister): There was a statement handed to the press on October 10 to the effect that the government is anxious that there be no delay in the payment of what may be described as automatic awards. Those arise out of the recommendations of the Ilsley report covering Canadians who were held in Japanese-operated internment or prison camps or in the hands of certain German organizations such as the gestapo and declared by the Nuremberg tribunal to be criminal organizations.

If the hon. gentleman wishes to have a copy of the order in council on which this statement was based, I will see that one is sent to him.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Friday, November 21, consideration of the motion of Mr. J. L. Deslieres for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I know that the members of this house will all warmly welcome the reference in the speech from the throne to the coronation of Her Majesty the Queen on June 2 next. At a time of great uncertainty and rapidly changing conditions throughout the world, this historic event will symbolize, not only for us but for all mankind, the long continuity of this particular form of democracy which is the cherished possession of Canadians and all the nations of the commonwealth. For us and for others the crown is a symbol of stability in this very unstable world.

We all remember as well the charm, spirit and vigour with which our new queen carried out her many duties during the time that she visited Canada only a few months ago with her gallant husband. The tragic death of her father, who sacrificed his life in the service of his people, brings to the throne a young woman, trained for her great responsibilities, and expressing both in her private and her public life those traditions of decency and human understanding which have preserved our monarchy through all the storms of recent years. As we look forward to the reign of the second Elizabeth, which will likely extend well beyond the lives of most of us here today, I feel sure that there is in the heart and mind of every one of us the earnest hope that the spirit of adventure and great achievement which distinguished the reign of the first Elizabeth may be renewed and may bring glory and renown to this new Elizabethan era.

In the speech from the throne there are several statements which will meet with general approval. I would particularly mention the announcement that it is the intention of the government to insert in all government contracts a provision that there must be no discrimination in employment because of race, national origin, colour or religion. I also welcome the announcement that legislation dealing with this subject will be introduced and that it will deal with all employment under the authority of the dominion government.

I am glad that the government has seen fit to act upon the proposal put forward by the hon. member for Hamilton West (Mrs. Fairclough), when she introduced a bill

calling for legislative action of this kind. I must say that it is a hopeful sign that the government has acted upon this important suggestion coming from a member of the opposition.

We all recognize that the speech from the throne is in fact prepared by the government. For that reason, every statement it contains is open to question and should be questioned if its intention is not clear.

We are told that "there are signs of a lessening of the danger of an outbreak of war on a global scale". I believe that the government will be performing its duty to this house and to the people of Canada by giving us the facts upon which such a statement is based. I believe that the government is in fact under an obligation to the members of this house and to the people of Canada to give us those facts. The need for this information is emphasized by the fact that it was only last Friday when the distinguished secretary of state for the United States made a speech in Ottawa, in which he appeared to say the very opposite. He was, of course, speaking for his own country when he said that there was great danger in the fact that people were being lulled into a false sense of security. Of necessity, however, his remarks apply with equal force to Canada. Every Canadian, and particularly those who have husbands, sons, brothers, relatives or close friends serving in Korea or elsewhere outside of Canada, would welcome this assurance if it is well founded, and all Canadians would be glad to know that such a statement is justified.

Because it has already been so freely interpreted in the press and elsewhere as an indication that there may be reason for lessening our defence efforts, I believe it is of supreme importance that the government leave no doubt about the facts on which this statement is based and also clearly indicate the inference that is to be drawn from this statement. I say that because every hon. member of this house will have read interpretations of that statement in the speech from the throne which convey the impression that it is a preliminary to an announcement that it would be possible to diminish our defence preparation. I recognize that the government is not responsible for such interpretations as may be placed upon any statement by the press of this country; but nevertheless I suggest that, since responsible newspapers have placed this interpretation upon it, it will be helpful if we are given further information.

We meet, in fact, at a time of increasing international tension. The decision to protect Southern Korea from communist aggression was a great milestone in the long struggle to preserve peace and freedom by collective action. Heavy though the sacrifices have been, those who look to the free nations for protection have had their hopes and confidence sustained. It is likely that the firm stand of the western nations in Korea has removed doubts which otherwise might have led the men in the Kremlin to engage in dangerous adventures which could only result in a general war.

While Korea has drawn unexpectedly large forces from different parts of the world, and mainly from the United States, to hold a line which approximates the division which existed since the second world war between North and South Korea, the entry of China into that struggle has also engaged the activity of most of their well-trained troops who might otherwise have been embarking on further acts of aggression elsewhere.

A great principle has been upheld. The moral convictions of the western nations have been demonstrated. The communists have been left in no doubt as to the superior quality of the weapons and the military equipment produced by the western nations. On the other hand, this has been both a training ground and a testing ground for both Russia and China. Without sacrificing any of their own men in a war for which they are responsible, the rulers of Russia have gained useful information with regard to the fighting equipment with which they have supplied the Chinese and have been improving their own armament production as a result of that experience.

This has resulted in the re-equipment of the Russian divisions in Germany and eastern Europe with more modern weapons and machines of war so that the Russian divisions, which present a constant threat to western Europe, are much more powerful from a military point of view than they were at the outbreak of the war in Korea.

Thus the danger is greater if for any reason Russia should decide to embark on a war of aggression. It would be dangerous for anyone to assume, and it would be very wrong for anyone with direct knowledge of the situation to convey the impression, that the land forces of the Atlantic pact community have yet reached the point where they would have any chance at this time of withstanding a major offensive by the immense Russian forces and satellite divisions now deployed throughout eastern Europe.

While the danger has increased, the hope of peace has also increased. That may seem like an anomaly but I suggest that the two go hand in hand. That hope could always

be shattered at any moment by any rash decision, such as that which was made by Hitler in 1939. There are, however, two reasons of great importance why Stalin may not follow the same course, particularly when he remembers what happened to the man whose friendship he embraced in 1939 when he signed an agreement in terms of blood with Hitler in August of that year.

First is the fact that Stalin and the Russian leaders know that every city in Russia is within bombing range of bombs far more deadly and destructive than those which terminated the war with Japan in a matter of days. Russian armies might move forward, but their bases of supply would be destroyed and armies would become mere masses of hungry, fighting men, forced to prey upon the countryside. It would be a terrible prospect for the countries invaded by Russian armies, but it would be an equally terrible prospect for the people of Russia, and above all for the communist leaders, whose survival depends upon their ability to maintain organized military power.

The Russians suffered terrible losses in men and material against an enemy which possessed neither the aircraft nor the bombs to inflict even one-thousandth of the destruction which would now desolate the whole of Russia if they should be so unwise as to precipitate a holocaust of that kind. It would be a terrible war for the West, but it would be more terrible for the East. As long as Stalin and his associates retain any measure of sanity, the dreadful consequences of aggression may stay their hand.

The other reason that there is hope lies in the fact that Russia has achieved so much without war that she may still hope to achieve the objective of world domination, and the objective is nothing less, by the breaking apart of the nations of the free world. Unfortunately, there are unhappy indications that they are not without some reason to hope that this may happen at some time.

On either of these grounds there is hope for peace if the strength of the free nations is built up so rapidly and so effectively that even without the atom bomb, or any other bomb, Russia would not dare aggression. The hope of peace, however, is not based upon any lessening danger, but rather upon the increased danger of prospects so terrifying that the Russians themselves would not be prepared to accept the consequences of starting such a war.

Canadians are I am sure all ready to pay the taxes that are really necessary to defend our freedom. In spite of every argument that has been placed before the government, in this house and outside, the government still continues, however, not only to impose extremely heavy taxation, but also to overtax the people far above the amount actually authorized by parliament. Only last Friday it was announced that with certain reductions the surplus to the end of the last month amounted to $287,932,000. This amounts to nearly $20 in overtaxation for every man, woman and child in Canada. It means $100 for the head of a family of five in overtaxation, over and above the heavy taxes our people are already called upon to pay.

The government continues to refer to this surplus as though it were something in the nature of a surplus earned by a business of some kind and did in fact reflect some measure of business efficiency. A surplus earned by a producer is indeed a sign of good business. But this surplus does not come from production of that kind. It comes from the pockets of the taxpayers and from no other source. Every cent of that means overtaxation above and beyond taxes which the people already find far too heavy. It is no answer to say that surpluses of that kind are used to reduce debt. Certainly, if the government decides that it is a good thing to reduce debt, let them say so, and let them place before this house their estimate of the debts they propose to reduce; but if it is not the intention of the government to do this, then the government has no right to deliberately overtax for the purpose of finding money to reduce taxation if that in fact is their intention.

Apart from overtaxation, there is the heavy weight of taxation which many Canadians do not believe to be necessary for the real business of the country. The moment this statement is made there are those who immediately say "Well, do you want to cut down defence spending, or are you suggesting that you curtail social services?" That is a tawdry and time-worn attempt to divert attention from the real suggestion that has been made in this house over and over again. No one is suggesting the cutting down of social services. They are part of the social development of this country. Every party has supported them. To suggest that they are peculiarly the product of one party is an insult to the parliament of Canada and to the provincial parliaments within whose field of jurisdiction most of these subjects lie, and is also a cynical misrepresentation of the facts. In the 85 years since Canada became a nation the two major parties which have shared the responsibility of government for almost exactly the same number of years have each in turn interpreted the changing trend of social development and with the support of parliament have given effect to the will of the

people. No responsible individual has suggested that we turn the clock back on the social development which has taken place in all democratic countries in closely related periods of advancement.

There is not a member of this house, however, who is not well aware of a number of places where savings could be made without reducing a single social service, or any other essential service of the dominion government.

One argument that is put forward is that the extent of our fixed obligations limits the possibility of economies. That, however, completely ignores the fact that there may be duplicating activity or costly overlapping between the dominion and provincial governments which afford the possibility of very great saving in the handling of those services without any reduction in the services themselves. We must always remember that the estimates of the cost of services include the very large sums which are required for the handling of the payments and that the amounts paid, either in the way of interest payments on debts or payments by way of social services, are far below the total figures given. It is within that field of administrative costs that great savings can be made by adjustment of responsibilities between the dominion and provincial governments and by a reorganization on a businesslike basis, which will expedite the business of the country and produce great savings.

It will be recalled that on numerous occasions we have presented a motion calling for an inquiry into the organization of the departments of government by a commission or committee made up of experts, including the highly competent civil servants who would be available for that task. It has been pointed out that a similar commission in the United States, under ex-president Hoover, made recommendations which it was estimated would have resulted in the saving of $5 billion a year. That was not related to waste or extravagance. It was related to the efficient and businesslike organization of government. It has been pointed out that on a proportionate basis if similar recommendations were made here it would result in a saving of anywhere up to $500 million a year. I know that this figure has been challenged, and it has been suggested that no such figure could be saved at any time. But even if $200 million or even $100 million could be saved, that in itself would be a tremendous saving, and it would also give evidence that the government was really trying to do the business of the country on a sound basis; and that would have a great effect on the attitude of our people to such taxation as may be necessary for defence and other purposes. In voting against that proposal the government has been voting against the kind of examination which every large business would insist upon having from time to time, if it expected to remain solvent.

When it comes to waste and extravagance I find statements made from time to time that every example of waste and extravagance is immediately dealt with. I think it would be well for us just to look at some typical examples furnished by the Department of National Defence. Since that department is now spending nearly half of the total budget approved by this parliament, it is the department of government which must be most critically examined to determine the extent to which any real attempt is being made to establish businesslike methods and prevent extravagance and waste.

Some very revealing figures have been published recently which indicated how little real effort has been made to bring defence expenditures under any clearly planned supervision. In the last few weeks articles have been appearing throughout Canada in some of the most responsible of Canadian newspapers, analysing facts and figures in regard to defence purchases, which are a challenge to every member of the house. They are the result of an examination of the reports of the government in regard to defence purchases. They are written by reporters whose high reputation is known to every member of parliament. Just let me refer to a few of the examples given.

Since these have appeared throughout the whole of Canada, they are the kind of examples which it would seem necessary for us to examine. During a single ten-month period orders for boots and shoes for the armed forces totalled $15,292,241. Even at the very high estimate of $15 a pair, which would indeed be a high cost for service footwear, this would mean more than one million pair of shoes for 100,000 members of the armed forces. The suggestion that orders of this kind are necessary for the reserves simply does not hold water, because plenty of shoes have been available for the reserve army for some years. Orders are still being placed, and are now well above 1,300,000.

During the last session it was found that orders have been placed for 1,150,000 neckties. Not satisfied with this incredible accumulation of neckwear, orders are still being placed for more neckties. One might well wonder what particular military service these additional ties are supposed to perform.

Then there was the remarkable order for 62,000 large serving forks, three for every five men in uniform. As a result of the

publicity directed toward this remarkable piece of extravagance, it was finally scaled down by different stages to 14,500, which some people would think would be a fairly adequate supply of service forks of that kind, particularly when one remembers that these figures include a great many people who were having their meals in their own establishments.

Then there was the very interesting order for 29,630 large aluminum teapots. These are one-and-one-half imperial quart aluminum teapots, which are bought in bulk at $2.97 each. One cannot help wondering if the habits of the Canadian armed forces have changed in recent years.

Since November 20, 1950, it is stated that clothing orders alone have amounted to some $142,150,000. The total strength of the three armed services just exceeds 100,000, which works out to approximately $1,400 for every member of the three services. That is not, of course, the amount which has been spent to provide uniforms for each of the members, because the department did estimate that the average cost of the kit of a soldier, sailor or airman is about $390. That seems high enough in itself, but the figures also show that orders are out of all relation to the number of those now in the services, or for the target figure of 115,000 which has been set for 1954.

As an example of how some of these orders are made up there is the fact that 15,000 raincoats have been ordered for the Canadian Women's Army Corps. We are told that there are six C.W.A.C. officers on full-time duty. Then, of course, it was explained to us the other day that the reserve is being kept in mind in the placing of these orders. Even if in this instance it was the reserve they had in mind, there are just over 900 officers and other ranks in the reserve. This does seem a fairly generous supply of raincoats.

Orders for rugs seem to be on a similarly free and easy basis. In less than two years the Department of National Defence has ordered $839,903 of rugs and carpets, which would provide approximately one square yard of rug or carpet for every two members of the active service.

We are still waiting to hear the details about the disappearance of the railway siding at Petawawa, as well as the theft of carload lots of refrigerators, stoves and other equipment. We are still waiting to hear details of the thefts which occurred in camps right across Canada during the past year.

Now, I do not know that it has any relationship to these disappearances, but there is one interesting item, a single entry, in one list under the heading "packaging of plumbing fixtures" at a cost of $147,232.

These are only a few of the figures which demonstrate the kind of extravagance which has been unchecked by any action of this government. When I say "unchecked", let it be remembered that, although the evidence that was made available to the committee which sat last spring was fairly limited, it was pointed out that this order for teapots was out of all reason; but by the time it was discovered the order had already been filled. These items are small, perhaps, in themselves, or from the standpoint of over-all expenditure; but they demonstrate beyond question that any system of supervision which permits this sort of thing is a system under which many millions of dollars can be wasted.

The suggestion that these matters were dealt with by the report of the special committee on defence expenditure is hardly worthy of any member of this house. The fact is that the opportunities for examination by that committee were severely limited. An opportunity to examine into the thefts at Petawawa was rigidly denied. But what is more important is the fact, which every member of this house knows but the public perhaps does not generally know, that the only report which can be presented is the majority report; and it should be remembered that the minority even brought in its report and excluded its members from any whitewash in regard to these inquiries which had been conducted.

This government has largely destroyed the effectiveness of the committee system established by this parliament for the examination of government expenditure, by permitting and in fact encouraging the use of a majority of government supporters on those committees to deny any real opportunity to conduct effective inquiries.

There should be an inquiry and it should be started immediately—not some time several months from now, but within the next few days, or certainly within the next two weeks. But this house has learned that there can be no assurance of a real inquiry under a committee of the house appointed by the present government. If the government really want an inquiry, then let them appoint a committee with powers similar to those of the special committee appointed last year, and make it a joint Senate and House committee. If they will do that and appoint Senator Crerar as the chairman of that committee, or some other senator who has demonstrated the kind of impartiality that he demonstrated, then the report of such a

committee would enable the broadest information such as would be extremely valuable to the house, to parliament and to the people of Canada.

Nor is it in defence expenditures alone that it is possible to effect economies. The standing committee on finance of the Senate of Canada presented a report on June 23 last in which there are positive recommendations for a reduction in expenditure. And before we are told again that there is no evidence that any saving can be effected, may I suggest that any member who has that thought in mind might re-read the report of the standing committee on finance of the Senate of Canada, and see what is contained in that report.

As this report is available to the members of the House of Commons, I shall do no more than to refer to the fact that the committee made a positive finding that the practices in regard to the handling of public expenditure for buildings, rental and similar requirements of the different departments of government could "have no other effect than duplication and overlapping and the inevitable general increasing in costs that is bound to result from this practice". At a time when such enormous sums are being spent for such vital purposes, there is the double need of a measure of supervision of both defence and non-defence expenditures for which there is no provision at this time. It is because of the impartiality of the Senate committee's report, to which I have referred, that I have suggested the name of Senator Crerar.

Mr. Speaker: Order. I do not think that the names of members of the other place should be brought into debate in this house.

Mr. Knowles: Let them rest in peace.

Mr. Drew: I now refer to the statement in the speech from the throne with respect to television.

Mr. Pouliot: Why not suggest Arthur Meighen?

Mr. Drew: I cannot imagine a better appointee, and I think it would be an excellent demonstration of the impartiality of the government if it were to follow the same course as did the government of the United States and appoint the leader of another party, who has served in the highest office on another occasion, to this very high task.

Mr. Cruickshank: We will give you a job some day.

Mr. Drew: I now wish to speak about television, which is mentioned in the speech from the throne.

Mr. Cruickshank: You do well there.

[Mr. Drew.]

Mr. Fleming: Here comes the Minister of National Revenue (Mr. McCann).

Mr. Drew: The subject is one which it will be possible to discuss in detail when the bill comes before the house to interpret in statutory form the statement in the speech from the throne. However, I think it is appropriate at this point to mention two aspects of the announcement. On different occasions, when it has been urged that the government should take action with regard to some aspects of broadcasting or television, we have been told that the Canadian Broadcasting Corporation was an independent commission and that the government would not think of deciding how it should conduct its affairs. Nevertheless the speech from the throne explains that the Prime Minister (Mr. St. Laurent) did indicate on an earlier occasion in Montreal that there were to be new television outlets and that it is as a result of that statement that we are now to be presented with legislation to carry forward that announcement. That does raise a question in our minds because, if the statement in the speech from the throne is correct, the answer that has been given on earlier occasions hardly seems to be consistent with the relationship expressed on this occasion.

The other point I would mention is that we now have an announcement that television stations are to be established in Winnipeg, Vancouver and Halifax. That still leaves a very large part of Canada without the opportunity for television and in somewhat vague terms it is stated that the applications of private television stations will be considered in those areas. The words used in the speech from the throne seem to leave no other interpretation than that there are to be no licences granted for private television stations in those cities which now have C.B.C. stations or those which are to have them. That means that we are to be denied the advantages of competitive stations which would greatly improve television broadcasting in this country, and it also suggests that the C.B.C. proposes to retain a monopoly in television in those areas which they regard as the most advantageous from the commercial point of view.

This is strangely inconsistent with the decision made just two weeks ago by the government of the United Kingdom which still retains a monopoly over broadcasting such as we have never had in Canada but which has decided that there is a difference between ordinary broadcasting and television and as a result is going to permit competitive private television stations to operate in the British Isles. I wish to recall to hon. members the explanation given just before we

adjourned in the early summer as to why this government was resisting private television broadcasting. It was explained that we did not want the kind of television broadcasts they have in the United States and that the purpose of the system envisaged for Canada was to protect our people from that kind of television broadcasting.

For that reason I was surprised to learn a little later that the Canadian Broadcasting Corporation had established a very expensive microwave relay system to Buffalo so that it could pipe in the very United States television broadcasts against which we were told they were going to protect us. Actually we are not getting those broadcasts because the United States producers refuse to give bargain rates to the C.B.C. for their television broadcasts. Consequently the source of great Canadian programs in Buffalo is still dry and the microwave relay is not operating although it has been erected at considerable expense.

The restrictive practices of the Canadian Broadcasting Corporation with regard to television, Mr. Speaker, have denied to most of the people of Canada the opportunity to see television for some years to come. We still have the extraordinary situation that taxpayers in distant parts of Canada are being called upon to pay taxes so that the people of Toronto and Montreal can enjoy television, if they in fact do. Moreover, there is also the fact that even with the new places where television will be broadcast it will leave fairly limited fields covered by the publicly-owned system, and again we will find that the distant taxpayers will be paying their money to provide television for five large cities in Canada.

If private television operators had been permitted to proceed through the experimental stages these places would all have been receiving television by now without a single cent of expense on the part of Canadian taxpayers. I submit that this is a good time for the government to review its course since it has indicated the close relationship that exists between the government and the Canadian Broadcasting Corporation on this subject.

In answer to the claim that there is great need for reduced taxation, particularly with respect to income taxes on small income—and this relates to television as to all other public expenditures—we are told that never was the average of wages so high as it is today in Canada. That may be true, but it is what the government leaves in the hands of the wage earner in the form of savings that counts and not merely the figure of total earnings. The present level of taxation, direct and indirect, is creating widespread hardship and discouraging initiative and thrift in a great many cases in Canada today.

I now wish to refer to the conference which is to take place in London later this month. I hope that members of the house will be given some information as to the intentions of the government with respect to that conference. It may well be that it will be one of the most important meetings of its kind that has ever taken place. From statements that have been made in Canada as well as in the capitals of the other nations of the commonwealth it is clear that trade and the possibility of expanding commonwealth trade is to be one of the subjects for discussion. The speech from the throne gives no indication of the course which the government proposes to follow. I agree, without any hesitation, that it might well be argued by the government that except for the definite statement that it is the intention of the government to do everything possible to revive and expand trade within the commonwealth, there could be reasons for not making any definite statement at this time in anticipation of the conference itself. I think that argument might well appeal under ordinary circumstances. The fact remains, however, that definite statements have been made by members of the government and also by anonymous spokesmen, and those statements have been fully reported in the press.

Canada's negative intentions at the coming conference have been stated on numerous occasions. They were stated by a member of the government recently in a speech in New York. The spokesman for the government on that occasion, announcing policy in the United States, did not however indicate what the Canadian government intends to do. He informed the people of the United States, and through the press the people of Canada, that the government was not going to do certain definite things. There have been repeated reports also that Canada is going to insist upon Britain taking certain steps to improve their position before Canada can make any effective arrangements with them. In fact, statements have appeared in the press within the last few days which indicate an attitude which hardly seems appropriate at this time when we are seeking arrangements which will make it possible to sell our agricultural and other food surpluses in Britain. This is not just a case of Britain finding out how to buy; it is a case of our finding out how to sell; and the Minister of Agriculture (Mr. Gardiner) has been very careful to emphasize that on different occasions recently.

I am sure that Canadians would be indignant, and I cannot imagine anyone would be more indignant than members of this government, if anyone in Britain presumed to tell

the Canadian government how it should mend its ways before they could do business with us.

Before we presume to tell the government of Britain how it should conduct its affairs, it would seem appropriate that our own position should be examined. Undoubtedly there are things to be done in Britain, and from what I have seen they do not hesitate to admit it. They know, as we know, that it is essential that they speed up the date of delivery of heavy machinery, that they live up to their commitments for delivery dates, that they maintain a larger supply of essential spare parts here in Canada than has been the practice in the past, and that other problems which have interfered with sales should be carefully examined and solved. In large measure those difficulties have been due to the reconstruction of damaged buildings and machinery in Britain, along with the necessity of transforming their industrial production, which has been almost entirely devoted to the needs of war, back to the requirements of peace. Sometimes there are those who seem to forget that no nation engaged in the last war had so completely transformed its industrial production to war purposes as Great Britain, and that does not except Germany. They had a tremendous task of transformation and then, before that transformation was completed, the armament brought about by events in Korea and elsewhere imposed further strains upon their system. There is evidence, and convincing evidence, that they are getting over the hump and that they will be able to tackle these problems satisfactorily.

Surely, Mr. Speaker, before we adopt any such holier-than-thou attitude, such as has been expressed in some statements recently appearing in the press, we should examine our own position. Let us remember that every cent of overtaxation or unnecessary taxation is added to the cost of the things that we produce or sell at home or abroad. Let us remember also that to the extent that there has been inflation in this country that inflation has affected the cost of our production in terms of the money with which it must be bought abroad. Let us also recognize that every cent of waste and extravagance is also added to the cost of our products. Thus, high taxation, extravagance, waste and inflation are not only a serious burden upon our own people, but they very greatly affect our ability to sell some of the things which we need to sell to maintain the prosperity of our farmers and some of our other basic producers.

We are told of our mounting exports in terms of dollars. At a time when the United States, Britain and other countries need so much of our raw material for defence requirements, there has been no difficulty in selling those raw materials abroad. That is particularly true in the case of the United States, which has nearly exhausted many of its own supplies of raw material and must look abroad for the basic requirements of its industrial production in many cases.

Because of their stockpiling and other requirements, Britain has been buying increasing quantities in dollar value, but at the same time it has been necessary for them to stop buying food products for which they have been our stable market for generations.

In every part of Canada farmers are feeling the direct effect of the loss of our British market for bacon and other pork products. In every part of Canada our farmers are feeling the effect of the loss of our markets for beef products abroad. For the first time in considerably over 100 years we are selling no cheese to Britain, with serious consequence for our cheese industry in Canada. We are selling practically no poultry products, no milk products and no apples. We are, in fact, selling little of our surplus farm production to Britain except wheat and flour.

For some time we have been urging this government to take the initiative in calling a commonwealth conference to discuss this aspect of our trade. On occasion after occasion we have presented motions calling for the government to take the initiative in bringing together such a conference. The government has flatly refused to consider that suggestion. Now at this late date, when farmers all over Canada are feeling the impact of this loss of agricultural markets, representatives of the government are attending a conference not called at the initiative of Canada but called together by the government of Great Britain. That conference is going to be of vital importance to every Canadian but it is going to be of the utmost importance to the farmers and other food producers of this country.

Nor is it only the farmers who are concerned. For the first time in generations not a tin of Canadian salmon is being sold in Britain. Demands for our lumber are falling off. No matter what raw materials we may sell for defence or other requirements, that is not going to put money into the pockets of the Canadian farmer or other basic producer at this time who is feeling the pinch because of the loss of those markets.

Not long ago I went into a shop in London to buy a tin of salmon. The tin bore the name "Socra", which naturally immediately brought to one's mind the name "Sockeye", which is a great commercial salmon on the Pacific coast. That tin bearing the name

"Socra" came from Russia. It is a rather interesting thing that "Socra" spelled backwards is "Arcos". Arcos is the name of a trading organization which was expelled from Britain just before the war for its treacherous activities. It may be just an accident, but it would indeed be a remarkable thing if the letters transposed in that way had such an interesting similarity to the name of a company with a background of that kind.

In saying this, may I emphasize the fact that the people of Britain do not welcome this substitution of Russian products for our own. There are many people in Britain who are refusing to buy any of these Russian products although they may be the only products of the kind available in many cases. Our problem, as I have pointed out before, is to find a way to sell just as their problem is to find how they can buy.

Even in the face of this situation in regard to food products, and particularly the tremendous production of grain to which reference has already been made this afternoon, the government speaks with different voices at different times. Confronted with the largest wheat crop and the largest carry-over for many years, the attitude of some members of the government seems to be one of light optimism—not shared by the Minister of Agriculture, who is very directly associated with this problem.

As recently as October 27, the Minister of Agriculture had this to say about the situation, and I quote the words attributed to him by the Canadian Press:

> In this country we now have 900 million bushels of wheat. At the outside, the whole world takes 900 million bushels in one year in international trade. There is also a considerable carry-over in the United States. Long before the crop is marketed our people will be wishing we had another four-year contract with Britain to take 400 million bushels of our wheat.

In the centre of the great wheat-growing area of Canada, the Minister of Agriculture did not minimize the danger of our position unless we are able to re-open our markets for wheat as well as for other food products.

While I am speaking of the position created by the enormous carry-over of wheat this year, there is one point which should be mentioned, and which undoubtedly is affected by statements made this afternoon. Farmers are finding it impossible in many cases to deliver their grain to the market, we are informed, no matter what steps are being taken. 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. It must be remembered, however, that this is an incident of the whole situation which has arisen as a result of the failure of the government to take steps in time to assure markets for our surplus food products, of which the government was amply warned. It was asked to take the initiative in finding ways to sell these products, but it turned down our proposals every time they were presented.

I have been discussing this subject on different occasions, and I have left no doubt that I hope that every possible step will be taken at this conference to re-open and expand our trade with Britain, the commonwealth and the sterling areas. I have used the expression that the government of Canada should do all within its power to remove the roadblock which is preventing the normal movement of trade between Canada, Great Britain, the other nations of the commonwealth and the sterling area generally. I have stated in this house on earlier occasions that our objective must be a free interchangeability of currencies, which will make it possible to carry out trading arrangements in the way in which we always did in the past.

I could not help noticing the light, flippant way in which that suggestion was dealt with by certain members of the government. The other day in the press I saw, emanating from those anonymous but well informed sources, indications that the representatives of the government are going to seek that measure of interchangeability when they arrive at London. We do not know, of course, because names are never attached to these statements made on behalf of the government, such as that to which I referred.

I have read statements by the members of the government brushing this suggestion aside, and seeking to convey the impression that I was urging restrictive practices. There is no truth whatever in that suggestion. I am sure that those who have made it are fully aware of that fact. I have been urging the freeing of trade from the restrictions imposed by our inability to deal in the ordinary way with the currencies of the commonwealth and the sterling area generally.

I have been careful to point out that there is no easy answer. But I would further point out that what I have said has also been said by the governor of the Bank of England, and that there is now a very strong movement on the part of those associated with the international monetary fund to find some way of dealing freely with the currencies which must be used if we are to get back to normal trading.

In emphasizing the vital importance of the British and commonwealth markets for food and other basic products, I am resting my arguments entirely upon the legitimate self-interest of Canadians. I rest my case in no way upon sentimental grounds. In normal times the United States produces most of the things that we produce in the way of food and other products which we have been selling for so long to the United Kingdom. They grow the same things, and usually have a surplus for export themselves, just as the Minister of Agriculture has indicated they have a surplus of wheat this year. That means that our agricultural prosperity rests upon overseas markets, and the main market abroad is Great Britain. Their position as consumers of agricultural products is unique. Fifty million people live in a country which is only able to produce half of its food requirements at the same standard of living as we are accustomed to here. I make that reservation because they are producing more than 50 per cent of their food requirements on the present restricted level. That means that there are 25 million people to be fed by imported foods. Situated as we are on the shortest route across the north Atlantic, we have an unchallenged advantage in dealing with Britain so long as we do not overload our producers with taxes, extravagance and inflation.

There is another reason why we should do all within our power to revive and expand not only the British commonwealth markets but also the large sterling markets throughout the world. Because of the tremendous quantity of raw materials that we are shipping to the United States, we are now exporting in dollar value approximately 80 per cent of all our exports to one country. We have put nearly all our eggs in one basket. In a large measure we have placed ourselves in a position of economic dependence upon the United States which is not healthy either for us or for them.

Our real sovereignty and full authority over our own affairs as a nation will depend in very large measure on the extent to which the Canadian government succeeds in re-opening the commonwealth and sterling markets so that our trade is better balanced, and we have some freedom of action in the event of economic storms in the United States or action at any time by their government which might interrupt the flow of our exports. There is nothing in the speech from the throne to indicate any intention on the part of the government to take appropriate action in pursuance of this great need. Perhaps we will hear this afternoon of some information in regard to this, and I am sure that most hon. members would welcome that information.

May I say also one word in connection with our trade with Britain which I cannot refrain from saying in view of some of the statements I have seen in publications in the United States, and sometimes in this country as well. I see gloomy predictions that Britain cannot surmount these present difficulties. I even see statements that Britain is through as a great world power. I see statements that the British are slow and stodgy, without imagination. I cannot help recalling that just a few weeks ago I saw some of the fastest aircraft in the world flying over the skies of Britain in simulated air attacks and air defence of the British Isles, which were reminiscent of the days of the battle of Britain. I cannot help remembering that a Canberra jet made in Britain crossed the Atlantic in three hours and twenty minutes, nor can I forget that not very long ago a very gallant gentleman sped across a Scottish lake in a British-made motorboat at more than 200 miles an hour. The same gentleman had also driven a British-made automobile at well over 400 miles an hour, which is still the world's record for speed on land. These are not just accidents; these are not just stunts. They are the product of industrial genius, technical skill, great imagination and individual vigour. I can only say to those who make gloomy predictions, such as some of those I have seen, that this is no time to sell Great Britain short.

There is also nothing in the speech from the throne to indicate any intention on the part of the dominion government to take appropriate action in pursuance of its frequently repeated promises to prepare for a national health insurance program.

In its submission to the dominion-provincial conference which met in Ottawa in August 1945, the dominion government emphasized the exclusive jurisdiction of the provinces over hospitalization, except military hospitalization, and placed tentative proposals before the provincial governments for their consideration.

Neither then, nor at any time since then, has the dominion government made any serious attempt to carry forward the discus-

sions and inquiries which are absolutely necessary before any plan could be agreed upon between the dominion and provincial governments.

It would be most improper for the dominion government to leave the impression that it could proceed with any national health insurance program without the most extensive inquiry to ascertain the basic facts upon which any sound approach to this problem must depend.

The problem of meeting the cost of medical care is now one of the most serious problems confronting individuals, as well as provincial and municipal authorities who must accept responsibility in many cases where the patients are unable to pay the cost of hospitalization and medical treatment.

Since the dominion government submitted its proposals to the provinces in 1945 the situation has changed very greatly. Hospital and other medical costs have risen by leaps and bounds. If it were not for the unselfish service of Canadian doctors in every community many patients simply would not get medical treatment at all at this time. Let it be said to the everlasting credit of the doctors of this country that there are few cases on record where any patient has failed to receive medical attention because of his inability to pay for the services of a doctor. But the present situation is imposing a tremendous burden upon the doctors, upon the provincial authorities and particularly upon the municipal authorities.

There can be no satisfactory solution of this complex problem until there is a thorough examination of the costs of medical care, hospitalization and other aspects of diagnostic, preventive, surgical and medical care. In 1945 the representatives of this government left no doubt that in their opinion extensive inquiries were necessary before this subject could be tackled. If such an inquiry was necessary then, it is far more necessary today, with the increasing complexity of this problem. It has become doubly necessary because of the increasing invasion of the provincial and municipal tax fields by the dominion government. For that reason there should be general agreement that the first and necessary step in dealing with this subject is to institute an inquiry which would be conducted by representatives of the medical profession, the hospital boards, the dominion, provincial and municipal governments. It is not sufficient to get recommendations from those governments that care to forward them. This is a subject in which all the cost must be considered jointly. The sooner such an inquiry is started the sooner it will be possible to discuss this problem with some knowledge of the essential facts. Without such an inquiry this problem cannot be tackled in a satisfactory manner. There would be no satisfactory basis for agreement between the dominion, provincial and municipal authorities, and agreement in that respect is absolutely necessary.

The dominion government is long in default in proceeding with such an inquiry. I hope there will be no suggestion that this subject could be dealt with without an inquiry of that kind in view of the earlier insistence by this government that such an inquiry was necessary and that it was because of the need of that inquiry that they could not proceed at that time to discuss some aspects of their proposals. Whatever method is to be adopted, one thing is certain. Some method must be found to assure proper diagnostic, surgical and medical treatment in every case which requires it.

On one point let us be very definite. We want no state medicine in Canada. The free relationship of the doctor to the patient must be preserved. In this, as in other matters, we must make a definite decision. Either we believe in freedom or we believe in supreme state authority. There is state medicine in Russia. There is state medicine in every communist country. State medicine has also been adopted by some countries which are far from communist. Most of them, however, have learned by sad experience that it is an unsatisfactory system both for the doctors and for the patients. As we believe in freedom, let us preserve the freedom of our doctors and the freedom of our patients under a system which will meet the cost of medical care in a free society which is really free.

Now I wish to deal with a subject which is directly related to what I have been saying about medical care. Perhaps the most important question for Canadians to decide in the field of domestic affairs is the constitutional relationship between the dominion, provincial and municipal governments and the way in which they are going to be able to carry out their responsibilities under the Canadian constitution. I mention the municipalities for this reason. Although it is true that the municipalities are legally emanations of the provincial legislatures, the fact remains that because of the serious plight in which many municipalities now find themselves, these municipalities are seeking direct assistance of different kinds from the dominion government, as the collector of most of our taxes and the place where so much revenue has been accumulated that it is not available in the ordinary way in the required quantities by the other levels of government.

This parliament and Canadians generally must give immediate consideration to the

question as to whether this country is to continue as a federal state, or whether it is to become a unitary state with one central government. I hope no one in this House of Commons will brush aside a statement of that kind because in this case I am simply quoting a statement made by a man who served in this government on an earlier occasion and who I know commands the respect and admiration of many members of this government. That warning that I have just given, namely, that we must decide whether we are going to continue as a federal state or as a unitary state, was placed before a gathering of lawyers at Dalhousie university law school a month ago by the Hon. Angus L. Macdonald, premier of Nova Scotia. I mention his words particularly, because they came from the head of a provincial government who once served as a member of the present dominion government. In a careful legal analysis of the trends towards centralization, he made it clear that the issue now before us is not the adequacy of any contributions by the dominion government in lieu of taxes, but that the real and the inescapable issue is whether, in fact, our federal system is to survive. He pointed out that this is a subject which was under consideration at an earlier date. There were those who thought that Canada should become a unitary state in 1867. The decision reached at that time was that Canadian unity demanded a federal system with its division of authority and the existence of local governments which would have jurisdiction over those matters of traditional local concern which meant so much to the people of the different provinces who were then seeking to find common ground for national unity.

There is no reason why anyone who believes in a unitary state should not argue in support of that contention today, if that is the belief of any Canadian. There are those of us who believe that neither our historic background nor the area of this country makes a unitary state suitable for Canada. On the other hand, those who believe in that system have every right to assert it. They should assert it openly, however, and not seek to change our federal system by stealth. Let no one be uncertain about the fact that this question is now squarely before us. I again repeat the words of Mr. Macdonald, not only because he has served both with this government and with a provincial government, but also because it cannot be charged that his views are based on political opposition to this government. He has stated the case in these simple words:

> A fundamental question now arises—it is this: do we wish to continue as a federal state?

[Mr. Drew.]

This warning comes from a man who knows the minds of many of the members of this government from long daily contact with them. It is with that knowledge and with that experience that he poses a question that he says must now be answered by all Canadians, unless continuing centralization is to produce a unitary state in Canada, no matter what it may be called.

There has been some tendency on the part of members of this government to leave the impression that the signing of temporary agreements with provincial governments, under which their most important tax fields are given up in return for annual payments, in some way disposes of this question. It does nothing of the kind.

Whe the Ontario government recently signed an agreement, which it was emphasized was a temporary agreement, the premier of that province made it clear that this did nothing to solve the fundamental question which has now been under discussion for ten years. He made it clear that the agreement was merely a stopgap and that it is the duty of the dominion government to take the steps that are necessary to re-allocate sources of revenue so that the provincial governments and the municipalities will be able to meet their increasing obligations from financial resources under their own control. The government of Nova Scotia has also signed an agreement. The premier of that province, however, leaves no doubt that in his opinion that does not dispose of the basic issue which must be dealt with right away. Other provincial premiers have taken the same position, although their governments have also signed temporary agreements.

As we consider this subject, which is of such vital importance to the future of Canada, it is therefore necessary for us to bear in mind that when the government of Quebec is so insistent in its demand that the federal system be respected, the government of Quebec is not alone in that demand, nor is it alone in the opinion that our federal system is in jeopardy, unless we reverse the present trend toward centralization.

There is no reference in the speech from the throne to any suggested meeting between the dominion and the provincial governments to discuss this subject. I am directing my arguments, therefore, to the proposition that it is essential for the dominion government to take immediate steps to review this situation, if it does in fact believe in the federal system and is not deliberately seeking to replace that system by a unitary state, in fact if not in name.

This is far from being the first occasion when this subject has been under discussion, and I have no doubt that there may be some impatience in the minds of some members of the government to hear it raised again. The possibility that the wartime agreements under which the dominion government took over taxing powers in return for payments to the provinces might weaken our federal system was raised when the dominion government first proposed those agreements in 1942. It happened that I took part in some of those discussions so far as they affected the province of Ontario and I know that there never would have been any agreement with the Ontario government if there had not been a firm and unqualified promise by the dominion government at that time that these were only temporary agreements for the duration of the war and that within one year after the termination of hostilities the revenue position of the provinces would be restored and their taxing powers returned undiminished to them.

The question before this house is, therefore, not merely the survival of our federal system, but the extent to which the government is prepared to honour an undertaking which it has never denied, and in fact which it admitted when we met in conference some years ago.

It is worthy of comment at this point that in Australia, where similar agreements were made between the federal and state governments at about the same time with the same promise, the taxing powers of the six states in Australia were fully restored this year. The government of Australia did not treat their promise as a mere scrap of paper.

When the dominion-provincial conference met in 1945, on the first day of that conference this subject came up for discussion and I propose to quote from what I said on August 6, 1945, to indicate that the arguments I put forward then are the arguments that I am prepared to repeat on behalf of the party which I have the honour to lead. I quote what was said at that time:

> Not only because of the very practical considerations in our own country which are as real today as they were in 1867, but also because of sound arguments which can be advanced in support of decentralization of authority, the strength of the provincial legislatures and their governments within their own clearly defined jurisdiction should be maintained.
>
> If we accept the proposition that the provincial legislatures are to continue to exist as responsible bodies with full legislative powers over their own defined fields of legislation, then those legislatures must have real and not merely nominal powers. The power to legislate and to govern rests upon the power to raise funds by taxation.
>
> Any arrangement which provided for a centralized collection of the greater part of the tax requirements of provincial governments and made them mere annuitants of the central government would place the provincial governments under the control of the central government to an extent that meetings of the members of the legislature would become almost meaningless because of the limitations within which they would be called upon to legislate. If the provincial legislatures are to continue as free and responsible legislative bodies within the conception of the British North America Act, then it would seem clear that the provincial governments must have authority over their own taxation within clearly defined fields.

That was the position I took in 1945, speaking as the head of the government of the province of Ontario. It was the position I had taken earlier in 1942 as leader of the opposition in the Ontario legislature when I was consulted by the then premier of Ontario, and it is the position I take today on behalf of the party that I lead.

At a later meeting of the dominion-provincial conference on January 8, 1946, I said this:

> If the provincial governments, and in turn the provincial legislatures, were to abandon their most important sources of direct taxation in return for an annual payment on a fixed basis, they would place themselves in a legislative straitjacket from which they could only escape by abandoning still further powers in return for added payments at some date in the future.
>
> If the provincial governments placed themselves in such a position that they were only able to expand their activity with the approval of the dominion government, they would become little more than local administrative commissions of the dominion government, and the provincial legislatures would cease to possess anything but the form of administrative responsibility.

Today that situation has in very large measure already arisen. In many cases the provincial governments have quite frankly stated to the municipalities, which are exclusively under provincial jurisdiction, that under the fixed arrangements which now exist they are unable to assist them. For that reason municipalities have turned to the dominion government and are seeking grants of one kind and another, which should be available to them either from their own revenues or from the provincial governments. Nothing could more effectively destroy the whole structure of our federal system than that the municipalities which are incorporated and receive all their authority from the provincial legislatures should become dependent upon the dominion government and in doing so be under the direction and control of the dominion government. That would, in fact, be the last nail in the coffin of our federal system.

No matter what arguments might be put forward in any other country in support of a unitary system, and it perhaps should be noted that there is no country even half the size of Canada anywhere else in the world

which does operate under a unitary system, the fact remains that in this country there are special reasons why we must respect, in all its integrity, the federal system which was defined for this country by the British North America Act in 1867. Surely no one will argue today that the unity of this country within the boundary of one nation would ever have occurred if it had not been that there was the absolute assurance of the preservation of the local rights and customs in the different provinces of Canada, and particularly in the province of Quebec.

Again I emphasize that none of these views is being expressed for the first time today. The fact that they have been repeated so often, however, merely emphasizes the need for immediate action by this government to carry out the promise it made in 1942. Ten years have passed since that unqualified promise was given. This is what I said as the premier of Ontario, speaking to the elected representatives of the people of Ontario in the legislature of that province on April 1, 1947, as reported in the *Hansard* records of that day:

> There are good reasons why the province of Quebec attaches special importance to the provisions of the British North America Act and is less likely to accept substantial changes which are made without the consent of that province and without adequate compensating protection, if any of their established rights are to be diminished. With good reason Quebec looks to the British North America Act as their guarantee of their own civil law, of their customs, of their language and religion . . .

I would recall that those are words spoken in the Ontario legislature considerably over five years ago.

May I point out that the premier of Quebec is not alone in expressing his concern about centralized power in Canada. The premier of Nova Scotia, the premier of Ontario and premiers of other provinces have also warned that, unless we change our course, we are in danger of drifting into a unitary state.

I hope I need not emphasize that this is no mere academic discussion of our constitution. The rapidly increasing trend toward centralization of taxing powers has greatly weakened the position of the provincial and municipal governments. In 1939 from every tax dollar, collected at all levels of government, the dominion government took 51 per cent, the provincial governments 19 per cent and the municipal governments 30 per cent. But last year the dominion government took 77 per cent, leaving for the provincial governments 12 per cent and the municipal governments 11 per cent.

It will be seen that while in 1939 municipal governments collected 30 per cent as compared with 19 per cent collected by provincial governments, they are now able to collect only 11 per cent as compared with 12 per cent by provincial governments.

It is a recognized fact that there is some point beyond which no taxing authority can go, no matter what the demands for services may be. When the dominion government arbitrarily invades the field of over-all taxation to the extent of 77 per cent, leaving only 23 per cent to be divided between the provincial and municipal governments, then those governments are not in a position to act independently and to carry out their increasing responsibilities. That is particularly true today of the municipal governments.

Above every other obligation, that applies to education and health services. Most municipalities are today in a very critical financial position because of the rapidly increasing demand for educational and health services, which are the most important requirements of our society.

It can be properly said that municipal government is the very bedrock of our democracy. Nevertheless, the position of our municipalities seems to be receiving little consideration from the dominion government at this time, in some surprising respects.

Not only are the municipal governments deprived of revenues adequate for their responsibilities because of the encroachment of the dominion government in all fields of taxation, but they are also being penalized in other ways which add greatly to their burdens. Just as an example, may I remind the members of this house that the municipalities must pay the dominion sales tax on all the equipment they purchase, although the provincial governments do not pay this tax. I must say I find it difficult to see where the distinction lies. What is even more significant, however, is that in the case of civil defence, which many of us believe is the responsibility of the dominion government in any event, municipal governments, which have been called upon to buy special equipment for civil defence, such as fire equipment, hose couplings, stirrup pumps, and things of that kind, not only pay for something that is part of our general defence program, but they must also pay a dominion sales tax on those purchases.

For the reasons I have presented I do believe there is nothing more urgently demanding action by this government than the re-allocation of clearly defined sources of revenue for the provincial and municipal governments, which will restore the real authority of the provincial governments and enable the municipalities to meet their increasing obligations without imposing crippling taxes on those whom they service.

That is what this government promised without any qualification ten years ago. That is what is needed to preserve and strengthen our federal system. That will be the most effective check on extravagance by this government, because the centralization of taxation encourages extravagance by the very fact that it takes away from local governments those checks which are much more in evidence in governments closer to the people. And may I add that, above all, this is the course of reason and of honour.

I move, seconded by the hon. member for Peel (Mr. Graydon):

That the following be added to the address:

"We regret that Your Excellency's advisers have failed:

(a) To relieve Canadian taxpayers from the burden of excessive and unjust taxation;

(b) To eliminate waste and extravagance and thereby reduce taxes and the cost of living;

(c) To take any effective steps to regain the commonwealth markets for food and other products upon which the prosperity of our farmers and other basic producers so directly depends;

(d) To conduct inquiries in consultation with the provincial governments, so that necessary information may be available for the dominion and provincial governments to consider jointly a national health insurance program;

(e) To reach agreement with the provincial governments in regard to a clearly defined re-allocation of taxing powers so that the provincial governments and municipal councils may have adequate financial resources to carry out their rapidly increasing responsibilities."

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, before attempting to deal with the various matters discussed by the leader of the opposition (Mr. Drew) in the interesting speech to which we have just listened, I should like to take a moment to extend congratulations to the mover and the seconder of the address in response to the speech from the throne. I think a special word of congratulation is due the hon. members for Brome-Missisquoi (Mr. Deslieres) and Waterloo North (Mr. Schneider) because, as newly elected members, they delivered on Friday last their maiden speeches in the house.

When one has to rise for the first time in the House of Commons he is apt to feel that it is something of a trying ordeal; and perhaps when this event takes place so soon after arrival in the house, and with the knowledge that other members have spoken here in previous sessions, an hon. member so placed is apt to feel that the difficulty may be still more forbidding. But I believe we can all say to our new colleagues that we are proud of the manner in which they acquitted themselves, and that they did credit to themselves, and to their constituents. The hon. member for Brome-Missisquoi (Mr. Deslieres) spoke in the two languages.

(Translation):

We were happy to notice how easily he expressed himself in both our official languages, French and English. He gave us the opportunity of listening to a most interesting speech indeed, as regards both its contents and the eloquence which he displayed in expressing his ideas.

(Text):

This hon. member's election to the House of Commons was not by any means the first time he had been elected to public office. I understand that for nine successive years he was a member of the council of Sutton and then for eight years mayor of that municipality. It is quite evident that he acquired in the municipal field experience and knowledge which, added to by his success in his business career and by his experience as governor of the Brome-Missisquoi-Perkins hospital, will be factors in his success in this place, and which I am sure will be put to good account both in the discussion and solution of such problems as we have to deal with here. I believe the citizens of Brome-Missisquoi can be proud of the member they have chosen.

I think that is equally true of the citizens of Waterloo North. Before coming here the hon. member for that constituency had also been active in community affairs. He is a successful businessman. He was chairman of the Kitchener-Waterloo airport commission for many years and is now chairman of the Waterloo-Wellington airport commission. He is a past president of the Kitchener Chamber of Commerce and of the Kitchener-Waterloo Rotary club. He is a member of the Canadian Legion, of the advisory committee for the new St. Jerome's college, is a director of the Waterloo township plowmen's association, of the Kitchener Red Cross Society and the Kitchener-Waterloo federated charities.

The hon. member made a speech to which I feel sure we all listened with interest and, I may add, a speech which is highly gratifying in its demonstration of the ability he has brought to parliament. I think we can all feel that it is fortunate for the people of the whole of Canada that their representatives in parliament continue to be men and women who not only have a wide grasp of public affairs but are men and women of vision who are confident as to the future of their country and who make sacrifices by coming here to do their part in assuring the future of their country.

To come now to the speech of the Leader of the Opposition (Mr. Drew), I am sure we all agree most wholeheartedly with his opening remarks with respect to the pleasure we will all take in joining in the ceremonies and festivities which will accompany Her

Majesty's coronation next June. I think we were all gratified to see to what an extent we are of one mind, as was demonstrated on the occasion of Her Majesty's visit as Princess Elizabeth about a year ago. The enthusiasm with which she and her distinguished consort were greeted on the occasion of their visits to so many parts of Canada is, I think, a very satisfactory demonstration of the attachment of all our people to the kind of institutions under which our country has grown and under which I hope it will continue for very many generations to administer and take care of its public affairs.

Because that is our system, because we feel it is a good system for the administration of our public affairs, I extend congratulations to the Leader of the Opposition for the very frank and, perhaps some of us may sometimes think, severe criticism of the actions of the government. It is a part of our democratic institutions that there should be someone recognized in our official organizations whose duty it is to watch and criticize what is being done by the advisers of the crown, and I think it is helpful that that should be so. For three and a half years now the government has been attempting to discharge the mandate entrusted to it in 1949. It has not had too much time available to answer criticism, but it has always given close attention to criticism and has always been as attentive as it could be to remedy such weaknesses as the criticism revealed.

But it is also a part of our constitution and traditions that within a certain number of months now, possibly a year but not more than two in any event, the people of Canada will be called upon to pass judgment on the conduct of the government and on the criticism levelled against the government. I think it is proper that at that time the public should have before it all the information that could have a bearing upon the determination of its verdict when it is called upon to arrive at one.

The last item dealt with by the hon. gentleman was that of dominion-provincial, and now municipal, constitutional relations. He repeated a warning that has been current at almost all times during the whole period since the coming into force of confederation itself, namely that there was a formidable question that had to be determined, the continued existence of a federal system or the establishment of a unitary system. That is a problem that has been constant in our history ever since 1867. There have been periods when to some of us it appeared that the pendulum was swinging too far one way and to others it appeared that it was swinging too far the other way. At other times not too distant it has appeared to the same gentleman that there were excesses in different directions. I have here an extract from a report in the Toronto *Globe and Mail* of February 4, 1937. It is attributed to "Colonel Drew" and as I would not want to be mistaken about the office the hon. gentleman occupied at that time I will merely refer to the note as I have it here:

> Extract from Colonel Drew's speech, February 3, 1937. "Today politics mean more than they ever did before in the history of Canada", Colonel Drew said, in pointing out that Canada was far too overgoverned. "We must start all over again from Confederation, if we are to have one country instead of nine", he said.
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> Bit by bit the provinces have assumed powers acquired through court decisions that were meant for the federal government, Colonel Drew declared. Holding up the example of Great Britain where, he said, twenty cabinet ministers govern millions of people, Colonel Drew contended that in Canada it took between 100 and 110 ministers to govern eleven million people. "Our country is overgoverned, in some ways the worst governed country in the world," he said. "We must get back to one strong government."

I do not agree, and I do not think the hon. gentleman now agrees with the hon. gentleman of 1937.

Mr. Drew: Yes, I do; but that was not the end of the quotation.

Mr. St. Laurent: That is the end of the extract I have here. I am glad that the hon. gentleman does not agree with the hon. gentleman of 1937.

Mr. Drew: I do, entirely.

Mr. St. Laurent: I do not envisage the situation as being as terrifying as he has portrayed it to us today. Here he is suggesting that there should be a conference to reallocate fields of taxation so that the municipalities and provinces would have ample room to impose and collect themselves everything they might feel they required for the discharge of their growing responsibilities.

With respect to the allocation of taxation fields, I think that was perhaps more pertinent to the problem that existed in 1945 than it is to the situation that exists at the present time. Since 1945 the federal government has withdrawn from several fields of taxation that it had been necessary for the federal government to occupy in order to raise the sums required to assure the security of this country during the second world war. For instance, the government retired from the field of taxation on amusements, parimutuel betting, sales of electricity, gasoline, railway transportation and telecommunications and exchange tax. The only fields in which the federal government is at the present time are those of customs and excise, including sales taxes; personal and corporate

income taxes; and succession duties. I think there is a small excise tax on the transfer of bonds and other evidences of indebtedness or security.

There is a constitutional responsibility in this country which, in the language of the hon. gentleman, is very serious at this time —the responsibility for taking all measures required for the continued existence and freedom of this country. That constitutional responsibility was clearly envisaged by those who drafted the British North America Act which came into force in 1867. It was that defence, national security, would be the responsibility of the federal government and that the federal government would have by constitutional declaration the right to resort to any and every form of taxation of the Canadian people. Now, no responsible Canadian government can ever give up the right to resort to any and every form of taxation when that may be required for the discharge of its responsibility to assure the security and freedom of the country at large. There can be no permanent allocation of those fields of taxation in which we are now raising the considerable sums that are required to meet the obligations of the federal government.

Unlike customs and excise, personal or corporate income taxes were sources of income that were not used prior to the first world war, although I believe they were used to a certain extent in the province of British Columbia and there was also some slight form of corporation tax; but they have become the very foundation stones of fiscal policies not only of this nation but of all nations in the world. There can be no undertaking by any responsible government not to resort to the levying of customs, excise and sales taxes, succession duties, personal income and corporate income taxes.

With respect to succession duties that were imposed during the war, after the war this parliament on the recommendation of the government withdrew to the extent of estates of a value of not more than $50,000, and nothing has ever been done to prevent any provincial government from levying succession duties. On estates valued up to $50,000 only the provincial governments levy succession duties. Beyond that figure, except for provinces having made temporary tax rental agreements for a period of years with the federal government, the provinces continue to levy succession duties. A credit is given by the federal government to the debtor of the succession duty of as much as half the federal duty, if he has paid that much to the government of the province in which he resides.

With respect to corporation taxes there is nothing in our legislation, nothing except the tax rental agreements that have been signed by some of the provinces, to prevent the provincial governments or provincial legislatures from levying corporation taxes to any extent they see fit. As a matter of fact, Quebec and Ontario have levied corporation profits taxes to the extent of 7 per cent although only 5 per cent was recognized by the federal taxing authorities as an expense of carrying on business. To the extent of 2 per cent there was double taxation there. That was because both governments wanted the amount of income produced by that tax rate. I do not know what special corporation taxes there are in the province of Ontario, but I know that in addition to the 7 per cent profits tax there are several corporation taxes existing and collected in my province of Quebec. There is nothing to prevent the legislature from fixing at any figure it may see fit the tax rate it imposes on these corporations except the very serious reason mentioned by the hon. leader of the opposition—that is to say, the unwisdom of trying to take too much from an individual taxpayer. The provincial legislatures, like the federal government, have to exercise such wisdom as they have in determining the rates that it is possible to impose on individual taxpayers without undue interference with the economic activity of such taxpayers.

With respect to the personal income tax the legal situation is exactly the same. In addition to that, at all times since the expiry of the first tax rental agreement there has been a provision in the federal income tax act that a taxpayer who had to pay an income tax to his provincial government would get credit up to 5 per cent of the amount of his federal tax, if he paid that amount to his provincial government. Neither the government of Ontario nor the government of Quebec, during the period in which they did not see fit to have tax agreements with the federal government, ever attempted to impose that amount of personal income tax on their people. It would have meant no increase in what the individual would have paid, but would have meant simply that the provincial governments would have the inconvenient responsibility, if it is an inconvenient responsibility, of having imposed a personal income tax and having collected it.

The hon. gentleman says there was an undertaking in 1942 to restore the taxing powers that had been rented to the federal government during the war period. There was, and at the expiry of those agreements there was no obligation upon any province to renew them. There was an undertaking that if the agreements were not renewed there would

be a reduction, I think of 10 per cent, in the corporation tax. Though there may have been no undertaking concerning the personal income tax, because there had been practically no resort by provincial authorities to the personal income tax, reductions were made in the rate of income tax levied under federal laws for federal purposes.

Proposals were made to the provinces that if instead of levying their own taxes they wished to renew agreements, these were the kind of agreements we were prepared to make with them. At that time there were nine provinces, and seven of them chose to make those agreements. The two larger provinces chose not to make the agreements. They were just as free to impose and collect any and every kind of taxation from the moment the war tax agreements expired as they had been before the war tax agreements were made. Those two provinces remained in that position up to the time the province of Ontario chose to enter into a tax agreement for a five-year period, from 1952 to 1957.

For seven years there was no tax agreement with the province of Ontario. There is no tax agreement now with the province of Quebec. Quite frankly, I do not think there could be or that there should be or that anyone would wish that there be, any permanent arrangement which would restrict the constitutional rights of the central government to have recourse, in times of need, to any and every kind of taxation that the parliament of the people of Canada might feel was required in order to meet emergent conditions that they might then have to face. There could be temporary arrangements, however. If those that were suggested had not been accepted, they could have been discussed. Other forms could have come up for consideration. As a matter of fact that was done with, and in respect of, the provinces that have made those agreements. The agreement made by the province of Ontario this year is not exactly the kind of agreement that was proposed in 1945, and the form it has taken in 1952 has been the result of consultation and negotiation between the federal Minister of Finance (Mr. Abbott) and the premier of Ontario, who happened to be at the same time his own minister of finance.

There were provisions in the agreements made immediately after the war, as well as those made in 1951, which differed from the original agreements and which were the result of representations made by, and negotiations had with, the premier of Nova Scotia. It has always been a condition of each and every one of those agreements that no more favourable terms would be given to one provincial government than to the others, and that such terms as were arrived at with one would be available to every one of the others. I have no doubt that there will be further discussion of this problem. These agreements that have been made are for a temporary period, and it may be that when that period ends the provincial governments, or some of them, will wish to have consideration given to modifications of those terms. Quite frankly, Mr. Speaker, I do not think the hon. gentleman, if he had the responsibilities which are mine at this time, could take the responsibility of recommending that there be any permanent abandonment of any of the constitutional taxing rights that belong to the federal government. There might be different temporary arrangements made, but I think—at least I would hope—the hon. gentleman would not take the responsibility of any permanent abandonment of any constitutional taxing rights which the fathers of confederation felt would be necessary for the security of this country, and which on two occasions it has been found were absolutely necessary for the security of this country.

The other matters dealt with by the hon. gentleman are not, I take it, criticisms of the ordinary civilian activities of the government, nor criticisms of the defence effort of the government, but rather criticisms of the so-called extravagances and inefficiency of the country's war effort and criticism of the high level of taxation. I believe, of course, that the implication was that when the moment arrives for the people of Canada to pass judgment upon the conduct of this government, they will come to the conclusion that it is time for a change, and that the change should be a change to the hon. gentleman and his friends as the advisers of the crown for the future period.

I think these are matters that are of great public interest and that deserve to be considered seriously. It seems to me there is no discussion and no controversy over the fact that the need for a great defence effort was demonstrated by the aggression which broke out in Korea in 1950. I think that practically the whole of the Canadian public was satisfied that the government should have acted promptly and is satisfied with the part the Canadian forces have taken in the joint effort of the United Nations to resist aggression in Korea. That effort has consisted of the continued action of three Canadian destroyers in Korean waters, on a rotation basis. It has consisted of the activities of the 25th infantry brigade which constitutes, and which from the time of its

formation has constituted, one-third of the fighting strength of the commonwealth division in that war theatre.

I think we also have reason to be satisfied with the part the R.C.A.F. played through 426 squadron in the transportation activities since July 1950. The planes of that squadron have made 434 round trips; have travelled over five million air miles, have carried over 5,250,000 pounds of cargo and mail and more than 10,000 passengers, including the members of the forces. They have been assisted by planes chartered from Canadian Pacific Air Lines, which performed 350 return trips. Those planes chartered from C.P.A. were passenger planes and carried no cargo, but they travelled something over 3,500,000 air miles and carried upwards of 17,000 passengers. Most of that was done by a plane about which there was much criticism some years ago, namely the North Star. We were all happy that these almost 9,000,000 miles of air travel were accomplished by those Canadian planes without any untoward incident whatsoever.

Of course it is true that we all feel and greatly deplore the price, in lives and in anxieties borne by their families, that is being paid by the presence of these men of ours on the fighting front in Korea in the part they are taking in preventing war. But that is an inevitable part of the price that has to be paid by free people who wish to remain free and who take pride and comfort in the fact that their young people appreciate the freedom under which they live to the degree that it makes them volunteer to run the risks they are obliged to run when, to uphold the institutions of this country, they go and take their chances for survival in foreign lands.

This aggression in Korea made it more necessary than we have perhaps realized to proceed as rapidly as possible with the North Atlantic Treaty Organization. I think we take some satisfaction in the fact that there are now six Sabre jet R.C.A.F. squadrons in England and Europe; that steady progress is being made to reach the final commitment of an air division of twelve squadrons; and that our 27th brigade group has now taken its place with NATO ground forces on the European continent. I think we have reason to be satisfied as well with the progress that is being made by our Royal Canadian Navy in co-ordinating its efforts with those of the United States Navy and the Royal Navy for the safety of the Atlantic should another war occur.

This defence effort of ours includes, as one of its parts, our mutual aid program. Hon. members know that Canada appropriated $670 million as a share of this co-operative effort and that, out of that appropriation, armaments have already been provided for three divisions of our NATO allies, one in The Netherlands, one in Belgium and one in Italy. We have also provided aircraft and aircraft engines for members of the NATO organization, and air training for NATO crews in our own country.

When it is said that we have nothing to show for the sums that parliament has appropriated, we should not forget that the regular personnel of our services before Korea was 47,185 and that it has recently reached over 100,000. This is the largest number ever maintained, outside of war periods, by this young nation.

Our defence effort has also included our defence production; and altogether for the last two years the appropriations made by this parliament for the defence effort have been practically one-tenth of the gross national product of the whole Canadian people, that is to say one-tenth of the volume in dollar value of all the goods and services produced in Canada by the whole Canadian people. One-tenth of the gross national product has been channelled through the Department of National Defence and the Department of Defence Production. Of course, every member of the government is responsible for what is being done by the defence departments but the principal burden of administering this one-tenth of the whole national production of the country has fallen upon the Minister of National Defence (Mr. Claxton) and the Minister of Defence Production (Mr. Howe). When one realizes that fact, one is perhaps not surprised that they should not take too much time off to reply, or have too much time for replying to criticism.

The general effect of this defence effort has been perhaps more apparent to outsiders that it has been to some of our friends on the other side of this house. I should just like to refer to a few examples of the appreciation of this defence effort shown outside of this house and sometimes outside of this country. For instance, the London *Times* of August 28 had an article dealing with the commonwealth division and headed "Success of a Unique Military Endeavour". I will not take time to read the whole article, but will content myself with reading just a few short lines.

Security forbids mention of the detailed composition of these brigades, but it is known that the Canadians are represented by the Royal Canadian Regiment, the Royal 22nd Regiment (known as the "Vandooz" because of their French-Canadian composition), and Princess Patricia's Canadian Light Infantry, supported by gunners of the Royal Canadian Horse Artillery and tanks of Lord Strathcona's Horse. These Canadians have seen plenty of action, and their performance has been unsurpassed.

Still dealing with Korea, the Montreal *Star* of September 17, 1952, reports:

United Nations commander attends club opening in Tokyo.

The United Nations commander in chief, General Mark W. Clark said today: "The Canadian soldiers in Korea have made a magnificent contribution." Clark formally opened the Canadian Maple Leaf Club, a recreational centre in downtown Tokyo, which is to be used by all allied enlisted men. "I wish to pay respects to the Canadian forces and their magnificent contributions to the United Nations forces in Korea," Clark said.

Vice-Admiral William Andrewes in Vancouver at the end of August paid tribute to the great and growing tradition of the Royal Canadian Navy:

I saw the Canadian tradition build in nine or ten months in Korea. A bit of it is ours, and that is good. Much of it is yours, and that is good, for every navy must build a tradition. Yet each soon came to be a separate entity. You knew each ship was different. But all three were splendid; all were first-class.

With respect to what has been going on in Europe, the NATO organizations, I find this in the Montreal *Gazette* of November 15:

Sixty miles from the East German frontier, the 27th Canadian infantry brigade is now completely operational, ready to move and fight within hours.

The commanding officer behind this achievement is Brigadier Geoffrey Walsh, C.B.E., D.S.O. of St. Catharines, Ontario. Within a year, a green army has been transformed into an operational fighting force.

Then he goes on to speak of the system of rotation which is applied and said:

"We have been praised so often it is becoming embarrassing." Brigadier Walsh denied that there was undue trouble with brigade discipline. "Of course, there were disturbances, but these have been exaggerated by certain sections of the press for political purposes," he said. "If the brigade were in Canada there would be just as much, if not more, trouble. The outbreaks at Edmonton and Kingston involving civilians and soldiers were larger than here, I am sure."

Hon. gentlemen probably saw in the *Globe and Mail* of November 10, an article by Benjamin Welles, New York *Times* service, dealing with the very efficient and exemplary way in which the R.C.A.F. have been able to settle down, co-operate with the local authorities and get their fields established.

Grostenquin, France, November 9. Quietly and efficiently the Canadians have developed the jet fighter base here in the past four months that will equal—in speed of construction, operational efficiency and living conditions for officers and men—any of the twenty-one other North Atlantic Treaty Organization air bases already built in France. This is the home of the alliance's first F-86-E Sabre jet fighter wing on the European continent, and all sixty of the Sabres here are Canadian built.

The progress being made here would be outstanding by any test.

The article goes on to describe how the personnel of the R.C.A.F., because of its ability to speak the language of the local communities and its ability to adapt itself to local conditions, had succeeded in having all this done without any friction whatsoever. The article also goes on to point out that it might be well for the others interested there to take as an example the manner in which affairs had been conducted by the Canadian troops.

This I think is a tribute from one whom we know, whom we respect and who we know does not say what he does not believe to be absolutely correct. It is a report in the Winnipeg *Free Press* of November 12, 1952, entitled: "Tribute to Canada" and was written in the London *Observer* by Mr. Chester Wilmot, perhaps the most famous historian of world war II. He has this to say about the Canadian troops in Germany:

Lord Alexander told me last week that he regards the Rhine army "as the finest army Britain has ever had in peacetime" and he spoke with the same enthusiasm of the R.A.F. squadrons which provide the main strength of the second allied tactical air force. The most encouraging development of this year has been not the expansion of British strength—though this has been considerable, especially in the case of the R.A.F.—but its reinforcement by Belgian, Canadian, and Dutch contingents. The Canadian brigade group, though formed only last year, has no superior in the Rhine army.

I have here a report from the Ottawa *Journal* of November 8, 1952, of statements attributed to Air Marshal Curtis. He said:

"R.C.A.F. F-86 Sabres now are the only match for Soviet Mig-15s, although the United States air force will send Sabre squadrons in the near future. The R.C.A.F. is not just a token force, but is a major contribution to the North Atlantic Treaty Organization far out of proportion to the men involved."

And these are not just words. Hon. gentlemen will remember this release that was made simultaneously in London, Washington and Canada on Sunday, November 2, about the arrangements that have been made for the NATO forces to have built in these Canadian shops the frames for from 300 to 400 of these F-86's. A lot of the engines will be provided by the United States government, but some of the electronics and engine parts as well as the airframes will be provided by Canada. R.A.F. airmen are receiving training under our Canadian scheme for use by the NATO forces in building up its strength. That is, we think, the indispensable bulwark against the outbreak of another world war.

These are achievements of substantial importance. It is not surprising, in view of the extent of the activities of the defence department and the Department of Defence Production, that ministers should have devoted more attention to attaining these achievements than to the minute details of administration. No one has suggested there has been anything

wrong in the general program. Much is made of the few regrettable incidents having to do with thefts which have occurred in camps, having to do with fires which have broken out in camps, and incidents of that nature. These are deplorable; but has anyone tried to hold the presidents of the banks responsible because the Boyd gang broke into and robbed the banks? Has anyone attempted to hold a high official of the Bank of Nova Scotia responsible because there is a report that that bank was successfully defrauded of the sum of $250,000 recently? These are things that, when they happen, have to be followed up diligently. Those who are guilty of misconduct have to be prosecuted and made to realize that such will not be tolerated. And that has been done.

The hon. gentleman says he has not heard anything about what has been done in connection with the thefts at the Petawawa camp. Well, he has not been reading the newspapers, because I have read about several convictions obtained against those who were guilty of these incidents at Petawawa. And I am under the impression that the prosecutions have been conducted with vigour and to a successful conclusion, and that that will continue to be the case. What is important however is the wrongdoing, when it does occur, should be followed up vigorously, so that those who are guilty of wrongdoing may be prosecuted.

Another matter about which much is being made is that of alleged extravagance in the amount of mobilization stores that have been purchased. They are considerable. I am not going to attempt to defend or even to deal with the individual items mentioned by the Leader of the Opposition (Mr. Drew). It may very well be that it was, as was recognized, a mistake to order 64,000 serving forks. But that was brought to light; and when it was brought to light immediate action was taken in connection with the matter. I am very sure that had that been one of the things that had come across the minister's desk personally, the requisition for 64,000 serving forks would never have been approved.

Then the hon. member referred to boots. Well, I was concerned about boots. I made inquiries and was informed that it was necessary to have that quantity of boots available for the proper functioning of the commissariat of the army and of the reserve forces. I was shown the amount expended for clothing and stores in the defence department as a part of what was spent since 1949 for the maintenance of personnel in the forces, and I find it is just slightly over 5·2 per cent.

Well, out of curiosity I looked at the statistics issued by the dominion bureau of statistics and by the Bank of Canada, in which were set out the cost of living index and the consumer price index. I find both of those were made up on the assumption, in the case of the cost of living index, that 12 per cent of the expenditures of a family go toward clothing, while in the consumer price index 11 per cent has been taken as ample for clothing. Well, in the instance brought to our attention 5·2 per cent represents the total cost of clothing, and that kind of equipment, purchased for the armed forces.

It runs into large figures, of course. I do not know why over a million neckties were required. It may very well be that that was a mistake. But in 1950, when the Korean incident broke out, there were acute fears of a possible outbreak of war on a wider scale than persists today. The leader of the opposition says that the situation is just as tense, that international tension is just as great today; but he also says there is greater hope than there was before that there will not be a world war. That of course is true. We all remember, however, that at the time of the last world war there was great criticism levelled against the defence department because they did not have the stores required to properly clothe the men as rapidly as they were being enlisted under the conditions of emergency that then arose. It may well be that the officers in the requisitioning departments, having that in mind, did order more than the minister would have sanctioned, had it come to his attention, or that the deputy minister would have sanctioned had it come to his attention.

I think we are all not only happy but fortunate that a newspaper which is not usually oversympathetic toward the government should have found it proper to publish on August 27 this short article to which reference was made by the hon. member for Waterloo North (Mr. Schneider) in his speech on Friday. Under the heading "Of This We Are Free" the Ottawa *Journal* of that date contains the following:

> Speaking in New York before 36,000 members of the American Legion, General Eisenhower drew his biggest applause with this:
>
> "Let us bend ourselves to end corruption in public office at every level of government. The United States is no better than its public officials. Pre-occupation with their own profit . . . undermines America's strength."

The writer in the *Journal* then goes on to say:

> In a nation, as in an individual, the temper of the Pharisee is a poor thing. Yet, in thankful truth we here in Canada can say that no public man in this country needs to stand on a platform and say

about our government, our officials, of any of our public men, what General Eisenhower felt need of saying to the people of his country.

We Canadians have our failures in government and in other things. Yet when the last word of censure is spoken, when the litany of error is called, it still remains true, and the most cynical cannot deny, that corruption in our government is unknown. Within a generation we have fought two world wars, have expended billions, often with desperate haste. To the eternal credit of our public men no man in this country today dares to rise and say, or can say with truth, that a single cent of the billions spent was diverted to a private pocket from its proper channel.

For our democracy, whatever its shortcomings, that is a glory.

Whatever its shortcomings, that is a glory; and I am sure the Leader of the Opposition agrees that we must be very cautious to seek out, to condemn and to eradicate any and every mistake that is exemplified by extravagance or waste. But let us together glory in the fact that, on the whole, our defence effort has been an effort worthy of the Canadian people, and one of which we can be justly proud.

Much of the criticism has been directed against the Minister of National Defence (Mr. Claxton). I was pleased to read in the Montreal *Gazette* of November 17, in an article which was intended to be critical of something the minister had done recently in reply to charges of poor morale in the Canadian forces overseas, statements such as this:

The direction and management of the Department of National Defence are bound to come under criticism. This is by no means to condemn Mr. Claxton's many valuable efforts and services. Canada has few public servants who devote themselves to their duties with greater vigour or constancy. The difficulty lies in a certain tendency on Mr. Claxton's part to uphold the defence department as something beyond censure or reproach.

They go on to say:

No doubt these inclinations on the part of the Minister of National Defence are largely unintentional and even unconscious. He himself is probably unaware either of these inclinations or of their consequences. And they are no less unfortunate because they tend to diminish public appreciation of his unquestioned achievements as a devoted and able administrator.

It may be that my colleague is sometimes oversensitive with respect to the criticism that is levelled against some of the activities of those who are in his department and for whom he has constitutional responsibility to this house. But I think on the whole we are happy that the situation in that department is such that the head of the department would be sensitive about any criticism levelled against it. That does not mean we should not pay attention to the criticism, that we should not do our best to see that what is underneath it disappears and in that way do away with the occasion for criticism.

That is why we want the defence expenditures committee set up. Hon. members will have found a notice in my name on today's order paper which will be called in due course. We want it set up. We are all anxious, the Minister of National Defence (Mr. Claxton) possibly more so than any of the rest of us, to be sure that there is no waste because the Minister of National Defence, together with his colleague the Minister of Defence Production (Mr. Howe), carries a tremendous responsibility with respect to the proper channelling of one-tenth of the total production of the Canadian nation in the course of a year. That is a tremendous responsibility and one with respect to which I am sure the Minister of National Defence wishes to see continued such tributes as I find in this critical article in the Montreal *Gazette* of November 17 last.

So far as defence production is concerned, I do not think I need to say very much. I was one of those who attended the launching of two ships and the handing over of three guns at Sorel to the United States and Canadian forces on the 14th of June last. I was much impressed by what I saw there on that occasion. I was also much impressed by the comments I heard from the United States procurement and naval officers who were present, who saw what was being done and how it was being done in that particular munitions plant. Quite frankly, we all would be happier if it was not necessary for mutual aid to be extended to our associates in the NATO organization, but since it has to be extended I think there is some occasion for us to be proud that it is here in our Canadian shops that the NATO organization wishes to have the F-86 fighter planes produced for the principal fighting element of that organization now being built up in Europe.

In numerous other fields there are frequent striking examples of the importance being attached by our allies in NATO to the part this young nation is able to play in building up this joint strength. The hon. gentleman said there was a reference in the speech from the throne to a lessening somewhat of the dangers of war on a world-wide scale. He added that several newspapers had made comments about that statement in the speech from the throne which he felt it might be wise to correct. His speech implied, and I agree with him, that we should not be complacent about the present situation, but I do not think there is anything in the language used which would induce anyone to be complacent. Here is what was said:

You resume your labours on behalf of the Canadian people at a time of continuing international tension. Nevertheless, because of the steadfast

resistance of our Canadian forces and their comrades in arms to aggression in Korea and because of the increasing strength of the forces of freedom in Europe, there are signs of a lessening of the danger of an outbreak of war on a global scale. My ministers are convinced that a lasting peace can be assured only so long as the combined strength of the free world continues to be built up and maintained.

It never was intended to imply that it was possible to lessen our efforts to build up and maintain the combined forces of the free nations in Europe. I do not want to pose as a military expert, but as a Canadian citizen I do not feel that there are sufficient allied forces on the continent of Europe at this time to resist aggression from the Soviet forces. I feel quite convinced that that strength has to continue to be built up and will then have to be maintained as an insurance premium against the possible outbreak of war in that important section of the free world.

Another matter with which the hon. gentleman dealt, and which I feel I must discuss at some length, is the pretended overtaxation. I noted one expression he used which I am sure is not exactly what he had in mind. He said that the people were being overtaxed far above the amount authorized by parliament. The hon. gentleman knows, as we all do, that parliament does not authorize any amount of taxation. Parliament authorizes certain amounts of expenditure and then parliament authorizes certain rates of taxation. Those rates of taxation apply to the basis that is forecast. When they have been authorized, if the economic activity of the nation is greater than had been estimated those rates produce an amount larger than they had been intended to produce when the lesser estimate of the economic activity was made. The converse is also true, as has been frequently pointed out by the hon. member for Greenwood (Mr. Macdonnell). I remember one occasion when the hon. member had misgivings about the prospects. He was glad to see that the Minister of Finance (Mr. Abbott) was so optimistic, but he was not satisfied that his optimism was quite justified and was much concerned about what would happen if instead of there being an increase in the gross national product there was a slight recession.

Mr. Macdonnell (Greenwood): That was a good many years ago.

Mr. St. Laurent: No, that was only in 1950 and there was much of the same feeling in 1951. I was quite impressed by the warning from the hon. member for Greenwood (Mr. Macdonnell) because it is not only the gentlemen on his side who feel that he is experienced and is very sincere and objective in the examination he tries to make of our financial situation from time to time. In that year the rates of taxation were designed on a gross national product of $20 billion to produce about $3⅜ billion. Although that was looked upon as an optimistic forecast it turned out that the gross national product was $21¼ billion, and the result was that there was about $300 million in additional revenue for that year produced by the same rates of taxes.

The hon. gentleman says no express statement had been made that we were raising taxes for the purpose of paying off our debt. No, there was not; but there are lots of people in Canada who, when they find that in a given year they are more prosperous than they expected to be, if they have any mortgage or other debt, think it is a pretty good year to make a payment on it. Parliament had felt that if the gross national product was $20 billion it would be proper to take off about 18½ per cent for the current expenditures of the country and that would not be intolerable to the Canadian public. When it happened that the Canadian public achieved a gross national product of $1¼ billion more than had been anticipated it was no hardship on the individual Canadian public that 18½ per cent out of that additional gross national product should go to retire some of the debt that had been inevitably piled up under the stress of war and wartime conditions. That was repeated in the following year.

The hon. gentleman fears, and I think that is perhaps not too strong a word, that it will be repeated this year. Well, I hope it will, but I do not dare to expect it. I sincerely hope that it will be repeated. I have been told a good many times that I do not know very much about politics, that I do not seem to be very much worried about party politics but that I seem to be considerably worried about doing my part to keep the right kind of country for my grandchildren to grow up in. Well, I think the more we have of these fortuitous possibilities of paying up some of the debts we are going to leave to the generations ahead of us the better this country will be for anybody's grandchildren to grow up in.

I do not think the Minister of Finance has been such a bad guesser, and I do not think the general public feel that way about it. Although perhaps it may be said that they are not Canadian taxpayers, there are a great many who look with envy upon the financial record of this country during the last few years. I would just like to refer briefly again to something published in the Montreal *Gazette* on November 4, 1952. It was not from one of its own leader writers,

but it passed the city editor and it got into the paper. It was entitled "Canadian Economy praised by Federal Reserve Bank":

Confidence in Canadian economy has been greatly strengthened by the general success of the dominion government's fiscal and monetary policies according to the Federal Reserve Bank of New York. Commenting on the Canadian scene in its monthly review, issued today, the bank notes that the economy's balance has been maintained despite the strong expansion pressures generated by the Korean war, the Canadian defence program and the swift pace of economic development.

They go on:

Canada's tax program, the bank points out, was designed not merely to keep the over-all budget in surplus, but also to provide additional revenue in a manner specifically calculated to dampen inflation . . .

"Government policies have fostered rapid economic development in Canada," the bank concludes. "During the past two years, of course, when defence requirements and inflationary pressures have placed critical strains upon the economy, official policies have attempted to channel the continuing expansion in industry and primary production into 'more essential' lines. But many factors suggest that Canada may be moving toward new horizons in a general economic atmosphere conducive to enterprise and individual initiative."

On the following day, inspired probably by this statement of the Federal Reserve Bank, we find in the New York *Times:*

A Lesson from Canada

Like most other countries, Canada experienced an inflationary expansion following the outbreak of hostilities in Korea. In consequence, wholesale prices rose from 206·6 per cent of the 1935-39 average to 242·3, or by about 17 per cent, while the cost of living climbed from 164·5 to 190·9, or only 16 per cent. But the upswing of wholesale prices was halted in the second quarter of 1951 and the rise in living costs had reached its peak by the fourth quarter of last year.

They go on and give certain details.

What makes the Canadian record the more impressive . . . is the manner in which it was achieved. The government's policy, in the words of Finance Minister Abbott, was "designed to guide the economy in the right direction without dictating the details of economic activity." In other words, the nation steered clear completely of price-wage controls, and all direct interference with the individual's affairs, relying upon increased taxes (direct and indirect), the stern regulation of consumer credit, a voluntary credit restriction plan, and an anti-inflationary policy of debt management.

The strictly economic approach to the inflation problem by Canada is typically exemplified in its policy in the field of taxation . . . it has sought to maintain a good balance between taxes on earnings and taxes on spending . . . Canada has also had the wisdom to see that, except in time of war, any value that an excessive profits tax might represent is—

—destroyed by the effect it has on incentive.

I do not think that there has been any mismanagement of the Canadian economy, and I do not think there has been any overtaxation as the hon. gentleman seemed to imply in his remarks this afternoon.

[Mr. St. Laurent.]

For comparison, I had looked up the budgets presented by the hon. gentleman when he was leader of the government of Ontario. I find that, in a comparable period, the amount realized from his taxation policies was something over 15 per cent above the expected, while the amounts realized by the dominion government, over and above those expected, have been something of the order of 11 per cent. I am not bringing this out as a reproach. I am just pointing out that where the same constitutional system prevails the legislatures determine, on the forecasts submitted to them, the rates required to raise the sums they have appropriated and authorized to be paid out of the consolidated revenue fund. Fortunately for the hon. gentleman while he was premier of Ontario, and fortunately for us, the optimism—even the optimism that has been sometimes looked upon by the more prudent as excessive—turns out frequently to be more than justified by the buoyancy and resiliency of our Canadian economy. Certainly that is nothing for which we have any reason to apologize or to be sorry.

It must, of course, make us more careful, especially when we realize that there must be elections from time to time. No government likes to impose more taxes than are required. That is something about which we are concerned, not because we are power hungry or anxious to remain in office—I might as well be frank and confess it—but because we have sufficient conceit that we believe we are able to give better government than the alternative would give. I shall not apologize for that conceit because I am quite convinced that my hon. friend has the reverse conceit quite as firmly as we have ours. That being so, we are always concerned with keeping taxation at the lowest level that is possible in view of the services which have to be provided.

I made a note of the hon. gentleman's statement. No one in this country seriously contends that any of these services that have been instituted over the last few years should be eliminated. On the contrary, there are many who contend we have not gone far enough and that we should increase taxation on the Canadian people to be in a position to render further social services that have not yet been undertaken. I am sorry I am taking so much of the time of the house, but I had prepared some notes on the kind of budget that we would naturally expect from the hon. gentleman if, in the near future, he had the responsibility of the present Minister of Finance (Mr. Abbott).

There are some items that have been severely criticized, but they do not amount to very substantial sums. We have heard a lot about possible savings that might be made in the administration of these social services. I was glad to see that the hon. gentleman himself was shying away from the $500 million that had been mentioned as a possible saving resulting from a commission such as the Hoover commission being set up in Canada. The whole amount to which such a commission of inquiry would apply is something of the order of $621 million. It would be rather difficult, therefore, to squeeze $500 million out of that. I submit it would be difficult to squeeze $100 million out of it, unless some of these services were going to be eliminated. One thing that has been severely criticized by the hon. member for Peterborough West (Mr. Fraser) is the film board. Even if you cut that out altogether, all you would save would be $3 million.

Mr. Fraser: I never said to cut it out.

Mr. St. Laurent: That is just the point; when you get down to something specific you would be glad if it did not cost so much but you would not cut it out.

Mr. Fraser: I said to just clean it up.

Mr. St. Laurent: Even if you did, all you would save would be $3 million. A lot of criticism has been levelled against the government because of the tremendous extravagance in travelling expenses. Well, they are large and amount, I think, to about $46·5 million. You could not cut that out without leaving in Korea the troops we have there, without doing away with the rotation system; and I am sure no hon. gentleman would want to do away with the rotation system for the men who have served and who are serving in Korea. If travelling expenses were eliminated you would have to keep the members of parliament here all the time. No one would want to do that. You would have to eliminate everything that is expended on foreign representation abroad. I believe the international situation is such that no one would want to do that. They want it done properly, but they want it done with due regard to proper economy. They do not want to cut it out.

Even if we cut it out, even if we cut out all the expenditures incurred for the so-called publicity, we would hardly arrive at $100 million. On the other hand, if you took into account only some of the things that the hon. gentleman has seriously recommended should be done—I have them here and I shall give the details following the dinner recess—they amount to something over $600 million. I believe the hon. gentleman would have rather serious qualms about balancing the ones against the others.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. St. Laurent: Mr. Speaker, when the house took recess for dinner I was endeavouring to give some sympathetic consideration to the difficulties which the hon. member for Greenwood (Mr. Macdonnell) might have to face if, in the near future, he had to present the budget to this house. I had first of all tried to find what items of expenditure it might be possible for him to compress. I had been guided in that search by the amount of criticism that had been directed against certain of the activities this government has carried on while in office. There has been much criticism of the film board; but even the elimination of everything connected with the film board could account for only $3 million. Then I had also mentioned criticism of the cost of travelling, removal expenses and so forth, which amount to $46,500,000 but which, of course, could not be entirely eliminated because it would be impossible for the administration to function at all if a substantial portion of these expenditures were not continued in effect.

Another chapter of our activity that has come under fairly severe criticism from time to time is the C.B.C. But even if all government activities in connection with the C.B.C. were eliminated, all that could account for in reduction of expenditure would be $8,250,000. Another item that I had set down was the elimination, for instance, of 10 per cent of the civil servants, mainly in the Ottawa area. That would be a considerable slice of the administrative work which it is suggested is not carried on with sufficient regard to proper economy. That might make an item of $41,500,000.

Another item which has been frequently criticized as being nothing but government propaganda is the expenditure incurred in respect of publicity, personal relations advertising, amounting to $17,500,000.

Altogether these items would make a total of $116,750,000. I am sure the hon. gentleman would not find it possible to eliminate all of these items. I think he would have considerable embarrassment in making any substantial reduction in them. For instance, the elimination of government activities in radio broadcasting would be a reversal of what has been the policy of his party from

the start for, as Mr. Bennett said here when he was dealing with this matter, if there were not public control of radio broadcasting it would mean that there would be no Canadian radio activities at all; and that would mean that quite a large number of our artists would have to find employment in other countries or turn to other fields of activity.

But be that as it may, anything that the hon. gentleman might find it possible to squeeze out of these items would be many times offset by the additions that he would have to consider making in the expenditures of government if we are to take seriously the policies that have been propounded, both outside of this house and inside it, by the members of his party. For instance, the hon. member for Peel (Mr. Graydon), in the foreign policy debate last March, was desirous that there be at least $25 million added to the appropriation for the Colombo plan. That is something which I am sure he would press fairly strongly upon his colleagues.

Mr. Graydon: Might I ask the Prime Minister to read what I said on that occasion? There was more to it than that.

Mr. St. Laurent: The hon. member will find it in *Hansard* of March 21, 1952, at page 677.

Mr. Graydon: I can find it. I would ask the Prime Minister to read it.

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. St. Laurent: It is suggested that it might be arrived at by economies in other items of expenditure.

Mr. Graydon: That is exactly what I have said.

Mr. St. Laurent: I have endeavoured to deal with the other items of expenditure where economies might be made, and I have allowed not only what might be a reasonable proportion of them but rather the items entirely. The hon. member said, as reported at page 677 of *Hansard* of March 21, 1952:

> I have no doubt that if the minister were to go through the various departments and comb out all unnecessary expenditures, we could give another $25 million to India without scarcely requiring even another vote by parliament.

Mr. Drew: That is right.

Mr. St. Laurent: The next item to which I wish to refer is the $200 million which the hon. member for Lake Centre (Mr. Diefenbaker) is reported in the *Globe and Mail* of March 28 as having urged in cash and food for Britain. I will admit that the hon. gentleman might not have to include that item in his budget because I understand that, since that time, the Leader of the Opposition (Mr. Drew) has realized—

Mr. Drew: I would ask the Prime Minister—

Some hon. Members: Oh, oh.

Mr. Drew: Even though this material may be prepared by someone else, I would ask the Prime Minister to stick to the facts. He knows perfectly well that never at any time have I advocated any different course than that which I advocate at present.

Mr. Cruickshank: Is there a change of leaders again?

Mr. St. Laurent: I do not think I suggested that the Leader of the Opposition would take any different course. I understood that the hon. gentleman was still, and had been even on March 28, the leader of the opposition, and that he was not the hon. member for Lake Centre. I was pointing out that the hon. member for Lake Centre had recommended this course. I was saying that perhaps the hon. member for Greenwood (Mr. Macdonnell) would not find that he had to implement that recommendation, because I have since read in the papers that the Leader of the Opposition (Mr. Drew) had said that what was wished for in the United Kingdom, and what should be recommended, was not aid but trade.

Mr. Drew: Quite.

Mr. St. Laurent: However, this was the recommendation of the hon. member for Lake Centre (Mr. Diefenbaker), who is a prominent member of the official opposition.

Mr. Hees: You are now getting Pickersgill, chapter II, page 1.

Mr. St. Laurent: I shall have an opportunity of dealing with the hon. member who has just interrupted, if he will wait until I get to him, in the usual order in which we deal with these hon. members.

Another matter the hon. gentlemen would have to consider is the recommendation which was made by the Montreal district annual meeting of Progressive Conservatives the other day in Montreal.

Mr. Graydon: Pickersgill could not have been there, sir.

Mr. St. Laurent: I do not know why it is that the name of Mr. Pickersgill is recurring so often in the interruptions that come from the other side. I have received very valuable assistance from Mr. Pickersgill—

Mr. Hees: Hear, hear.

Mr. St. Laurent: —since I have been in office. It is quite apparent from the mood of the hon. gentlemen that they resent the fact that I got valuable aid from any source whatsoever.

Mr. Hees: Very necessary.

Mr. St. Laurent: Because it seems to be an obsession with them that Mr. Pickersgill was my assistant and did act as such until such time as he became the clerk of the privy council.

Mr. Drew: Still is.

Mr. St. Laurent: I have no regrets whatsoever as to the assistance I had from him during that period. I think quite frankly that it has been of value not only to me but to all those to whom I had responsibility in the discharge of the duties which had been placed upon my shoulders. I am now going to use assistance that has been supplied to me by the Montreal *Gazette*. That may be a source less susceptible to suspicion by gentlemen on the other side.

Mr. Graydon: Stick close to them and you will be all right.

Mr. Croll: They have not done you any good.

Mr. Graydon: Don't blame the *Gazette* for that.

Mr. St. Laurent: The *Gazette* reported the resolutions adopted by this annual meeting of the Montreal district Progressive Conservatives. Among them was a resolution favouring the extension of family allowances to school children up to the age of 18. On the assumption that Canadian children up to that age would be eligible, this would involve an expenditure of $63 million a year—quite a substantial item, and one that I think the hon. gentleman would feel that he would be required to consider.

Another item which I think has been given approval by the official opposition in its attitudes and votes in this house is the deduction from income for taxation purposes of all medical expenses. This would mean an item of some $48 million.

Mr. Knowles: Everybody voted for that the first time.

Mr. St. Laurent: If everybody voted for it, the hon. gentleman would perhaps find that an additional reason for including such a provision in the budget that he would be responsible for recommending; but it would be nevertheless an item of $48 million.

Mr. Fleming: That would be reduction of taxation, not increased expenditure.

Mr. St. Laurent: It would be a reduction in income tax received, but the effect on the consolidated revenue would be just the same. It would be $48 million that would have to be found in some other way to take care of the requirements.

Another item recommended by the hon. member for Lake Centre which has perhaps not received such unanimous approval yet, but which has been commented upon with favour by several of his colleagues, is federal aid to education. No specific figure was placed upon that, but on the assumption that there might be a grant of even $5 per man, woman and child, that would run into an amount of about some $70 million. Whether or not that would be considered by the hon. gentleman, I do not know. Whether or not it would be recommended, I do not know; but it is an item of some substance.

Another item recommended by the hon. member for Broadview (Mr. Hees) in a speech in this house is assistance for disabled workers. I am sure he would press that very strongly for consideration by a minister of finance of his party. On the basis of $40 a month for approximately 150,000 it would amount to a sum of $72 million. That, I am sure, is an item that he would want to have considered seriously as an additional service for the Canadian public. No one disputes that it would be desirable, if it is a thing that the taxpayers want to pay for. But they cannot have it both ways. It cannot be allocated and remitted to the disabled persons unless it is raised from the taxpayers of the whole community.

Another item on which the leader of the opposition has taken a positive stand in this house is the reduction in the age at which the old age pension would be paid from 70 to 65. I have the reference here, but I think we all remember that that was the attitude taken by the hon. gentleman and many of his followers both in this house and outside. Well, that would mean an increase of $194 million in the amounts required for old age pensions.

Mr. Drew: From where do these figures come?

Mr. St. Laurent: From the statistical information we have of the age groups of the Canadian people, because the hon. gentleman was specific in saying that he wished that reduction to be made in the non-means-test old age pensioners.

Mr. Drew: Is that the total figure?

Mr. St. Laurent: The figure is $194 million for the age group between 65 and 70.

Mr. Drew: Is that the total figure?

Mr. St. Laurent: Yes.

Mr. Hees: Mr. Speaker,—

Some hon. Members: Sit down.

Mr. Hees: I wonder whether I could make a correction in the figure that was given?

Mr. St. Laurent: If I gave a wrong figure—

Mr. Speaker: With the consent of the Prime Minister, the hon. member may ask a question, but it can be only a question.

Mr. St. Laurent: I do not want to be unfair to the hon. member.

Mr. Hees: I would like to ask the Prime Minister where he got the figure of $72 million as the cost of pensions to those who would be completely disabled. The figure I have is—

Mr. Speaker: Order.

Mr. St. Laurent: Answering the question, it is by the multiplication of the number of months in the year by the factor of forty dollars.

Mr. Drew: We want to know if it is statistics or figures.

Mr. St. Laurent: Well, I can assure the hon. member that I am making the speech—not Mr. Pickersgill—and I am making it, without reading it—

Some hon. Members: Oh, oh.

Mr. St. Laurent: —from notes I prepared on material that was available to the whole public.

An hon. Member: Give it to him again.

Mr. St. Laurent: I am not suggesting that all these items would be included in the expenditures that the hon. member would recommend, but these are some of the items to which considerable importance has been attached by members of the hon. gentleman's party; and there are others.

The hon. member for Royal (Mr. Brooks) has made recommendations in the house for further benefits to veterans, benefits that would be very desirable but which would involve additional expenditures to which I am sure the minister of finance in his party would be giving careful consideration. But, in the result, I am sure the hon. member would find it very difficult, with the experience and sterling business integrity for which he is known, to recommend any diminution in the level of taxation unless he were prepared to recommend that deficits be incurred at this juncture in our economic affairs.

I do not think he would wish to recommend deficits; and, if he did not, I fail to see how he would avoid many increases in the expenditures already listed, unless he were to disregard entirely recommendations that have been made over the years by members of his party when expressing dissatisfaction with policies of this government.

And that would not be surprising. I stated this afternoon that the Leader of the Opposition (Mr. Drew) had had some experience in the effect of greater economic activity than had been foreseen, and that during the years in which he was premier of Ontario the revenues derived from the rates of taxation that had been recommended by him had produced somewhat more than 15 per cent over the amount for which he had budgeted in his annual statements.

On the expenditures side the same thing has happened. I am not stating this as a reproach to the hon. member. The tempo of our economic affairs and, necessarily, the part the government plays in the economic life of the country, made that necessary. Nevertheless it is a fact that in the full year before the hon. member took office the expenditures in his province were $92 million for current expenditures, and $100 million for total expenditures. While he was in office those figures increased to $166 million for current expenditures and over $201 million for total expenditures. That is an increase of 80 per cent in annual current expenditures and over 100 per cent in total annual expenditures. During that same period the percentage of increase in the expenditures of this government, aside from the cost of the defence forces, was very, very much lower than that.

This is not because the hon. member was not careful and attentive to the affairs of the province; it is because circumstances brought about those changes. Perhaps he might say he would not have the same responsibility for what in the federal field he calls overtaxation, because perhaps the effect of the policies of the Ontario government on the economic activities of the whole country were not as direct as the effect of federal government policies on the economic development of the country, and that he had no responsibility for the increase in gross national production. But, again, that is something which did happen, and something which made it possible for future ministers of finance to provide from now on for some $62 million less in interest charges on the national debt.

The next matter with which I wish to deal, and quite briefly, is that of trade. Right here I say that one of the sources upon which I am going to rely is not Mr. Pickersgill but rather Mr. Anthony Eden. The opposition charge that the Liberals have been destroying trade and losing the markets. Now, what are

the facts? Here I have a statistical report which shows that the export trade of Canada is higher than it ever was before. For instance, the total exports in 1951 were valued at $3,914 million, or at the rate of $326 million a month. That is the average rate over the year.

I have the figures for 1952 which show that in the first seven months our export trade amounted to $2,460 million, or at a rate of $351 million a month over the seven-month period, or $25 million a month more than in 1951 which, up to that time, was the record year.

That is not only true for the over-all export trade of Canada. It is equally true for exports to the United Kingdom market. In 1951 those exports were valued at $631,500,000, or a monthly average rate of $52·6 million. For the first seven months of 1952 they amounted to $462·8 million, or at a rate of $66·1 million on an average for those seven months.

Of course there are things in addition to those we have been exporting to the market of the United Kingdom which we would be most anxious to sell to them and which they, I understand, would be anxious to take from us. That is known to them just as it is to us. I should like to read just a few lines from the public speech made by Mr. Eden here in Ottawa before the Canadian Club, as reported in the Ottawa *Evening Citizen* of November 17. This is what he said:

> We know that Canada has a vital interest in the strength of sterling and that is why you are so closely concerned in these efforts which we are making . . .
>
> As to trade between our two countries, I know that we at home are not taking all that you would wish to sell. Nor are we taking all that we would wish to buy. But it is all that we can afford today. And what we do buy is no mean total for a country of 50 million people. In 1951, we took from Canada $631 million worth of goods—34 per cent more than the year before. But we only sold some $400 million worth to Canada.

Of course, if $400 million is no mean total for a country of 50 million, then $631 million is no mean total for a country of 14 million. He went on:

> To buy more Canadian goods, therefore, we must earn more from our exports to you. Increasing those exports is our responsibility. We must find out what you need. And we know that our prices and deliveries must be competitive. You will, I think, agree that we have made real progress in these respects since 1947 and this despite the grievous burden which rearmament has imposed upon our engineering industry.

The total market has not been lost, as $631 million for 1951 is 34 per cent greater than were our exports to them in 1950. I have not figured the percentage but there is an increase in these figures of about $14½ million a month in the first seven months of 1952 so far as exports to them are concerned. But there are restrictions on their imports from this country, restrictions which prevent us from selling them apples, cheese and other dairy products, poultry, canned salmon and other food products, because they say that they cannot afford to pay for them and that they have to use the Canadian or American dollars they are able to acquire by their exports to different countries for things which they consider of greater value to them than are these products which we would like to sell to them.

The hon. gentleman has said that he hopes we are not going there with any idea of telling them how they should run their own affairs, and that if the situation were reversed and they were to attempt to tell us how to run our affairs we might resent it. I can assure the hon. gentleman that we fully appreciate their situation. We do not forget that in 1947 we found ourselves in a position where we had to impose restrictions on the importation of a lot of things that many of us wished to have but which were less essential than other imports for which we were using our United States dollars. I know that when we approached the election of 1949 we were told in many quarters that we were going to find a housewife or kitchen revolt against the fact that they had been deprived during 1947 and onward, for a period of time, of lettuce and other green vegetables which had come to be looked upon as indispensable articles of the Canadian diet.

We appreciate the situation and we are not going to attempt to tell them how they should go about using such Canadian or United States dollars as they do acquire by their exports; but the Minister of Finance (Mr. Abbott) and myself are leaving tomorrow to go over there to endeavour to work with them in trying to find ways which will enable them to remove the restrictions they have found it necessary, because of their dwindling reserves, to impose upon the importation of some of the things we would be very desirous of seeing them buy and which they apparently would be very desirous of having. I am sure it is only under what they consider the sternest kind of necessity that they are providing Russian canned salmon for their people instead of the canned salmon of, I am sure, such satisfactory quality that they used to get from our canners of the Pacific coast.

As hon. members know, the invitation to attend this prime ministers' conference was received here on the 25th of June last, just after the decision had been announced to call our parliament into session on the 20th of November. In spite of the fact that parliament met last week, the government felt that the

Canadian people would expect the Minister of Finance and the Prime Minister to go to this conference and do what they could, through discussion with the members of the sterling area, to seek and to find a reliable way to remove these restrictions on their trade. This government recognizes and has always recognized—and I am sure every member who sits in this house also does—the desirability of obtaining a restoration of the economy of the United Kingdom as something not only due to them in consequence of their great sacrifices during the last war but as something of immediate economic interest to this country.

I think parliament and the Canadian people have given tangible proof of their desire to be as helpful as they could be. There is no doubt that the greater the British market and the greater the commonwealth markets open to us, the better it will be for our Canadian producers. I regret that the conference coincides with the beginning of this session of parliament. I think hon. members know that I do not like to be away from Ottawa when parliament is in session. I know that the Minister of Finance would prefer to be here to deal himself with matters for which he is responsible to parliament and to the people represented in parliament, and which are apt to be under discussion in the debates in the house.

I regret also for another reason that the conference is being held while parliament is in session. The Minister of Finance and I would have liked very much to have the Minister of Trade and Commerce (Mr. Howe) accompany us on this occasion, as he himself would have liked to do; but he customarily acts for me when I have to be away and, rightly or wrongly, we felt it would not be showing proper respect to parliament if we were both away at the same time. There is also the consideration that in the course of these discussions it may, and I hope it will, become necessary for us to communicate with our colleagues at home. I hope such progress can be made that there will be things that will have to have the approval of our colleagues at home. My colleagues felt that if such an occasion should arise they would be glad to have the Minister of Trade and Commerce here, because of his experience in such matters, to assist them in dealing with such questions as we may have to refer to the Canadian government. After all, this is a conference, not a legislative body of any description. What recommendations are arrived at will be recommendations to the respective governments of the countries represented at the conference, and I hope we may have recommendations that will require immediate decisions. I cannot say how long the conference may be expected to last, but I can assure hon. members that I shall lose no time in returning to my place in parliament just as soon as it is over.

The Minister of Finance and I are going to London with the hope that some progress can be made in the direction of widening opportunities for trade both within the commonwealth and between commonwealth countries and other nations. But I think it would be wrong to give the impression that a conference of commonwealth representatives, however valuable it may be as a preliminary —and it will be valuable—can by itself solve the problem of making sterling convertible or, as the Leader of the Opposition (Mr. Drew) has put it, of removing the roadblocks in the way of trade. That is not only my personal view. If I may refer again for a moment to Mr. Eden's speech here in Ottawa I find that he had this to say:

> We realize of course that there is no final solution to some of these problems which we shall have to discuss in London, except on a world basis. Yet by our joint efforts we believe we can inspire the message and expand the contribution which the commonwealth can make to the economic life of the free world.

I am sure we all join in that view and that hope. I also feel sure that we join in the confidence in the future of Britain expressed by Mr. Eden in that same speech:

> I know there are some who believe that the contribution we can make to the modern world is a declining one. I do not accept that for one instant. On the contrary, I am convinced that the leadership and experience we have to give can be as decisive in shaping world events as at any time in our long history.

I am sure it is with that hope and that confidence that we are going to join them in the search for ways to remove the roadblock which prevents the resumption of world trade, because I think we share the views and hopes that it may not be too optimistic to feel that the western world will so rearrange trading that the great nations of the east will feel that it is to their advantage to remain with us and help us maintain the standards of freedom for mankind throughout the whole world.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, my first words must be to join with the Prime Minister (Mr. St. Laurent) and the Leader of the Opposition (Mr. Drew) in the hope that we may make every preparation for Her Majesty's coronation and that her reign thereafter will be a very long and happy one.

I also want to join the Prime Minister in expressing pleasure at seeing the new members in the house and to say to them that I

hope their time in parliament will be useful and enjoyable and that we shall have very pleasant relations with them.

One other thing I would like to do—because sometimes I have found it necessary to criticize the policies of the Secretary of State for External Affairs (Mr. Pearson)—is to express on behalf of the C.C.F. group in the house and myself our congratulations to him upon having been elevated to the very high office of president of the United Nations assembly. I feel that is not only a recognition of the service he has rendered to the assembly in the past but is a recognition too of the place Canada holds in the assembly of the United Nations. I only wish that the United Nations could look forward in the next few weeks to settling this very grave problem of Korea.

I had hoped that over the week end agreement would have been reached, at least among the democratic nations, for support of the Indian resolution, but that apparently has not been possible. The United States apparently would not agree to it, and I was very sorry to hear over the radio tonight that the Russian delegation had denounced the proposal also. Consequently it is very difficult to see how those of us who are between those two great giants can exercise that influence which is so necessary in order to bring about an end of the war in Korea, since the United Nations has achieved the end it originally had in view—namely driving the aggressors back where they came from—and is now endeavouring to settle by cease fire an armistice and, we hope, the peace. It is very, very difficult to see tonight what the next step will be. I think we must all hope and pray that a speedy end will be brought to this conflict in the Far East and that the war will not spread any farther.

The Prime Minister and the Minister of Finance (Mr. Abbott) leave tomorrow for the commonwealth economic conference in London. I am sure everyone in this house hopes that the results of that conference will be beneficial not only to the commonwealth nations, not only to Canada, but indeed to the world at large; because upon the prosperity of the commonwealth depends very largely the prosperity of the democratic world, and certainly the prosperity of our own country.

Watching the statements that have been made from time to time from Ottawa I have been rather alarmed at the attitude the newspapers convey to us that the government might adopt. I was very glad to hear the statement the Prime Minister made tonight in that regard. After all, we in Canada have a somewhat special responsibility in this conference because we happen to be the only so-called dollar country to be present. We hear a great deal about the necessity for convertibility of the dollar; but the point about which I sometimes think we are under many illusions, when we talk about the convertibility of the dollar, is that it is not a question so much of exchange of money as of exchange of commodities. It is really not a money problem at all; it is a commodity problem at its base. The sterling area has been spending, and must continue to spend because of necessity, far more in the dollar countries than they have been able to earn. I think that is the crux of the problem; and this lack of balance in expenditures and receipts has precipitated a very serious disruption affecting nations carrying on about half the trade of the world. I refer of course to the sterling area and our own country.

As was earlier pointed out very briefly, this has been very largely aggravated by the loss of sterling assets during the war. The sterling area, and particularly the United Kingdom, disposed of its overseas assets during the war, turning them into cash that they could use for the common war effort. The result is that today Britain no longer is able to use those great inflows from overseas to balance her accounts with the rest of the world and particularly with the United States and Canada.

There has been, according to press reports from the United States and also in this country, some disposition to criticize the domestic policies of the United Kingdom and other sterling countries. I think that rather we should indulge at the moment in some self-examination of our own trading policies and economic policies in North America. Indeed it seems to me that even cursory examination of the trading positions of our nations will to some extent give us an answer to this problem.

Incidentally, over the years we have tried to draw attention to the matter. Sometimes, when the Labour government was in power, I know there were those who thought we were prompted by some ideological friendship with that government. I may say that we have been equally insistent since there was a change of government in the United Kingdom. We believe that, regardless of whatever view the government in power in the United Kingdom may have ideologically, that does not alter the true economic effects of the situation which is faced by the sterling countries and ourselves. So we have been none the less outspoken on these matters since there was a change of government in the United Kingdom.

As I said a moment ago, this lack of balance in our dollar-sterling trade relationships which would have to be discussed at the conference is not just a question of the welfare

of the sterling area. It is a question, indeed, of our own continued Canadian prosperity. If we look for a moment to see what has happened since the war to some of our trading relationships with the United Kingdom—the largest sterling country—we find that we have indeed, as the Prime Minister (Mr. St. Laurent) pointed out, tried to increase our trade with her, but always we have exported to her far more than we have been willing or able to import from her. In 1946, for example, our exports to Britain were nearly three times as great as our imports. In 1947 our exports were nearly four times as great as our imports; in 1948, they were over twice as much and in 1949 about twice as much. In 1950 we came the nearest to striking a balance, largely because of the curtailment of dollar purchases by the United Kingdom. In 1951 that curtailment by Great Britain continued but our imports from the United States increased, again to Britain's export disadvantage. In other words there was a substantial increase.

Now, it is argued that this trading position had been normal throughout the years. To some extent that is true. Before the war, with the assets I have already mentioned, Great Britain was able to buy from us, we shall say, twice as much as she sold to us, and we were able to buy from the United States twice as much as we sold to that country. Thus the balance was made up because of the overseas assets and the inflow to Great Britain from those assets. But the post-war change in the assets of the United Kingdom and the other sterling countries—I am including Holland and other countries which had a somewhat similar experience and either lost assets or overseas areas which they formerly controlled—changed the picture almost completely.

I should like to say that in our opinion, both at the commonwealth conference and generally in our trade relations, we can only regard trade as a matter for great co-operative effort. In other words, we sell in order to buy, and nations must buy where they sell. There is a danger, of course, as the Minister of Agriculture (Mr. Gardiner) pointed out in his speech that was quoted by the Leader of the Opposition this afternoon, that our mounting surplus of some commodities, particularly wheat, and the curtailment of the export of some other commodities which the Prime Minister mentioned a few moments ago, will gravely affect Canada in the long run. As to the present outlook for wheat, we all know that the world needs every kernel of it. The difficulty is, how is the world going to pay for it? I think the answer to that question is that the world can only pay for it by our taking goods or by our making loans or by our accepting sterling and making investments in the sterling area.

It is said, of course, that in order to replace these normal markets, as I call them, that we had in the past, we have been able to find new markets in the United States. It is true that before the war, as I have already pointed out, we traded very largely with the United Kingdom and the United States. Since the war a great deal of our trade has been diverted, the Minister of Trade and Commerce (Mr. Howe) will probably say of necessity, to the United States. In other words, whether or not we have had to, we have placed more and more of our trading eggs in the one basket.

For a moment I want to look at the figures from the United States, and these are from the official reports just as the Prime Minister's figures were this evening. Recent figures from the United States for 1950 show that United States imports into Canada were five times as great as those from the United Kingdom. In 1951 they were at a still greater ratio, of six to one. Our exports, taken over the long-term picture, showed a somewhat similar change. In 1950 we exported four times as much to the United States as we did to the United Kingdom, and the 1951 figures show over three times as much.

It may be said that this rather discounts my argument, but if we look at the picture still more closely we realize that in the past our economic health did not depend on exports to the United States but rather on those to the United Kingdom. We believe that if we are to maintain a healthy economic life in this country in the future, then we must not place so much reliance on trade with the United States as we have been doing in the immediate past. The reason, of course, is very simple. As was pointed out this afternoon, the United States is so largely competitive with Canada in her production. She produces the same commodities that we produce, particularly in agriculture, although more and more as the days go by Canadian industry is so greatly expanding its production that we are competitive industrially as well in many respects. Indeed, many of the corporations that are operating as Canadian companies in Canada are in reality United States companies who, from time to time, seek tariff protection from the parent organizations in the United States.

I was interested a few days ago to read a statement in the Montreal *Gazette* by the president of one of our Canadian chartered banks. I am not going to quote the statement because it is somewhat lengthy. I am going to summarize it, and I think I am doing

so quite correctly. Mr. H. A. Stevenson of the Canadian Barclays Bank noted that in this year, that is 1952 to date, that is to last week, our imports from the United States had increased from 69 per cent last year to 74·5 per cent, while our exports to the United States had dropped from 62 per cent to 53 per cent. In other words, what this showed was that we were buying more from the United States and now we are selling less to her while from the overseas countries we are buying less and selling more proportionately. This could, of course, lead to a decline in our total trade if it were accompanied by a lessening of defence buying, and that in turn could cause a serious disruption or even a recession in the Canadian economy.

May I add that this danger might become still more apparent if the new administration in the United States should revert to the type of policies the Republican administration adopted in the years before the 1930's. Looking over the cabinet appointments that have been announced, it seems certain that there will be at least a more conservative —spelled with a small "c"—business-dominated cabinet responsible for the economic and social policies of our great neighbour to the south than we have had for some years. Even under the much more liberal—again spelled with a small "l"—administration of Mr. Truman, we have been reminded of the dangers of depending on the United States markets. Indeed, in direct contravention of the general agreement on tariffs and trade made at Geneva, which we both signed and which we carried out to the letter, I believe, the United States restricted imports of fats, oils and dairy products, particularly cheese, coming from this and some other countries. We protested against what was done, but our protest did not meet with any significant results. Thus we have been warned that our future is in danger if we place too much reliance upon the unpredictable United States market. Hence I say to the Prime Minister and to the Minister of Finance that we should re-examine our trade policies with the overseas countries at this conference in London and try to regain what in the past have been our stable markets.

I think this means something else. I think this means that Canada must do something. This means that our trade and tariff policies must be designed to assist non-dollar countries to export more goods in order to earn more dollars to pay for their purchases here. Let me say, as I said at the very outset, that I believe this is the crux of the dollar-sterling convertibility problem. There is no other solution of a permanent nature although, as I have already suggested, there may be some temporary expedients. We may make loans and we may make investments in the sterling areas, but I would regard those as only temporary expedients and would say that the only way to solve the problem is to increase our exchange of goods with those countries.

It is perfectly obvious that when we use exclusively monetary terms, as we so often do, we obscure the real facts; because the real facts today necessitate an exchange of goods in order to bring about convertibility. It would indeed be unfortunate if in any way, at the conference in London next week, Canada adopted either a negative position or merely the position of an interested observer. From what the Prime Minister said I do not think that will be done, and I sincerely hope not.

I was going to say more about this matter, but I think tonight I should like to deal more particularly with another matter which was raised by the Leader of the Opposition (Mr. Drew) in his amendment, namely a proposed national health plan. I think the reference in the speech from the throne will have caused considerable disappointment to a large number of Canadians who hoped that at long last we would get, at this session, legislation that would bring to the Canadian people a national health plan. I noted that the Leader of the Opposition this afternoon, I think unfairly, made the statement that the countries with socialized medicine were communist countries. I do not know. I have never been in a communist country. I have read that they have—

Mr. Drew: Mr. Speaker, I wish to correct that statement immediately. I said they had state medicine in Russia, that they had state medicine in communist countries and that they also had state medicine in some countries that were strongly opposed to communism.

Mr. Coldwell: That is right, Mr. Speaker. The Leader of the Opposition is right in correcting me in that respect. I recall now that that is exactly what he did say. But the emphasis was on the fact that the communist countries had this state medicine while the democratic countries also had it; but to my mind at least it seemed to convey the impression that they came afterwards and not before. As a matter of fact, in the democratic area there are many countries which have had national health plans for a great number of years. There are Norway, Sweden, Belgium, Denmark, and of course more recently the United Kingdom. Indeed, there are only three of what I might call the major democratic countries which are without some national health plan. Those three are the United States, Canada and Australia; and even in the Commonwealth of Australia there

is a hospitalization plan and certain prescriptions are provided for the population.

It was also stated that a good many people regretted that the United Kingdom had put a national health plan into effect in that country. That is not what I learned. I had the privilege, for a couple or three weeks, of travelling with a group of parliamentarians from all over the commonwealth. Many things were discussed. One of them which I made it my business to discuss was the success or failure of national health plans, because I was greatly interested in them. I found that it did not matter with whom I talked, or with what political party from the United Kingdom I talked, there was general agreement that while there might have been some defects in the plan when originally introduced, it was today not only the most popular piece of legislation in the British Isles, but was the most beneficial one. I remember distinctly that a unionist member travelling with us made the statement that it was having a profound effect on the people of southern Ireland because of the great benefits that family allowances and the national health plan were bringing to the people of northern Ireland. In spite of all the criticism that has been made of the plan in the United Kingdom, it is noteworthy that no political party and no members of parliament are prepared in any way to overthrow the national health plan even though they are prepared to abolish some of the other plans and legislation which the Labour government put into effect when it was in office in Great Britain.

Mr. Fleming: Does the hon. member consider it to be state medicine?

Mr. Coldwell: Yes; I consider it to be the kind of national health program that we would have in the future. I will develop the idea of a national health plan a little more fully in a few moments, and I think that will answer the question that has been asked.

In our own country for many years organizations have been asking for this plan. Indeed, the party now in power in this parliament, namely the Liberal party, was pledged to introduce a national health plan as long ago as 1919. That is 33 years ago. Today it was said that we should have another investigation. If we brought into the house all the volumes dealing with investigations and reports that have been made in this country into this problem of health in the last 33 years, I would not be able to see over my desk if I were sitting down. I am sure the volumes would be more than three to four feet high. Indeed, in my office at the present time I have enough that, if I piled them up here, they would be between two and three feet high. I refer to reports of surveys, reports of committees, reports of inquiries and reports of investigations in this country into a national health plan. Indeed, if we look at the record even in 1945, the proposals of the government of Canada submitted to the dominion-provincial conference on reconstruction in August, 1945, at page 29 we find this:

> In both federal and provincial circles, health insurance has been under active consideration since the last war.

I continue:

> In 1941, the Minister of Pensions and National Health called a meeting of the dominion council of health and other interested agencies to study the question. In 1942 the government appointed an advisory committee on health insurance. In 1943 the House of Commons appointed a committee on social security. To this committee, the advisory committee on health insurance made a report on the 16th of March, 1943. Widespread discussion occurred on the part of interested organizations and individuals. The Canadian Public Health Association in June, 1942, the general council of the Canadian Medical Association in January, 1943, and numerous farm, labour and other organizations passed resolutions approving in principle of health insurance.

I am not saying that they approved the national health plan, but they approved in principle of health insurance. The report continues:

> Included in the report of the advisory committee was a draft bill providing for health insurance on a nation-wide basis. This was to be administered by a commission to be established under provincial legislation to be enacted by each province.

May I add that a bill was printed by the king's printer, I think improperly under the circumstances, for it was never introduced in the house. It was circulated, though, among candidates of the Liberal party in some parts of this country in 1945, and was shown to audiences as the bill which the government was prepared to enact if it were re-elected. Well, that was the last we saw of that printed bill.

Mr. Macdonnell (Greenwood): It did its work.

Mr. Coldwell: It did its work, yes. Of course, it has done its work on a number of occasions, both before and since. May I say to the hon. member for Greenwood that probably it did the same kind of work that the clause in the amendment of the loyal opposition is supposed to do on this occasion, exactly the same.

If we go back a little further we find that a committee of the House of Commons was instructed in 1928 to investigate and report on the subject of health insurance for Canada. As I have already indicated, this was indeed the first of a long line of committees. What did it do? It recommended that a survey be made. And surveys have been made, I might add, almost continuously ever since.

In 1942, as I have indicated, the federal government set up an advisory committee on health insurance to make another study. That was stated in the proposals to the dominion-provincial conference. A year later that committee issued a report. It was 500 pages long. It dealt with every aspect of health insurance and, as I said, actually drafted a bill.

Further studies have been made almost continuously ever since. In fact on December 29, 1945, the government organized a special directorate of the department of health called the directorate of health insurance studies. This directorate has been functioning continuously ever since that time, a matter of seven years. Among other things, its function has been to study and analyse the health insurance legislation of other countries and the planning of legislation for our own country. In order to show that this has been an earnest effort on the part of this departmental organization, I find that the government has spent over a quarter of a million dollars on this directorate since it was set up seven years ago. In addition, the federal government has authorized the spending of approximately $650,000 in grants for other surveys. In its proposals to the federal-provincial conference of 1945 the federal government estimated the cost of a comprehensive plan at that time at $250 million a year.

This of course was on the basis of prices as they were at that time and with the population as it was in 1941, about 11½ millions. If we want to be fair about it, we have to increase that $250 million in conformity with the increases in the cost of everything else in the country, and with the increase in the population. If we take the 1952 estimated population of Canada at 14,600,000 and the cost of living in 1943 as 118·4—it is now 185—we can calculate that on that basis the $250 million a year would have to be increased to about $492 million a year. In a recent broadcast I said $470 million, because I was using rather a smaller population figure than the one which I think is more accurate and which I have just seen.

When we think of the various organizations that over the last several years have asked for a national health insurance plan for this country we find that it makes a very impressive list. We have several representative organizations such as the following: The federation of agriculture and other farm organizations; both the national labour congresses; the American Federation of Labor groups and the Canadian Congress of Labour groups and the Canadian and Catholic Confederation of Labour; the railway transportation brotherhoods; the Canadian Legion; the board of evangelism of the United Church of Canada and numerous other organizations. All have asked for a national health plan.

Quite recently a Gallup poll was taken in this country; Gallup polls have a habit of showing at least pretty closely the state of public opinion. That poll indicated that eight out of every ten Canadians wanted a national health plan on a contributory basis. That is what we suggest. I quote the words of the question:

> . . . . under which they would be assured of complete medical and hospital care by the federal government.

We find more and more that the leading men in the medical profession are coming around to the need for such a plan. I noted around the middle of September that Dr. J. B. Jobin, chairman of the Canadian association of French-speaking physicians, had spoken at Laval university, and in the course of his remarks he said this—of course I am using the translation—"Socialized medicine is a must if modern medical services are to be accessible to everyone". I regarded that as a very important statement by a medical man who is so representative of some of our French-speaking Canadians in the province of Quebec.

Where we have anything in the nature of a widespread health plan we find ample support for it. I expect that some hon. gentlemen read the very interesting article in *Maclean's* magazine of a month or six weeks ago, which dealt with the high cost of hospitalization and the high cost of health generally in Canada. If so, they would have noticed the report that in various parts of Canada demand for a health plan was taking shape. The writer outlined what had been done, for example, in my own province of Saskatchewan, in the Swift Current area. In that district they have established a health region which takes in Swift Current and I believe something like a hundred towns, villages and municipalities comprising practically the whole of the Swift Current area. There, for several years, not only has there been in effect a hospitalization plan which gives everyone in the province coverage, but also a plan whereby medical aid is provided to the residents of that area, without individual obligation. The health of the community as well as the care of the teeth of the school children are looked after in this unit, under this plan.

I also noticed a few days ago that, again in my own province of Saskatchewan—and this indicates the demand in a province where a considerable amount of work has been done

in this regard—a vote was held in the rural area around Regina; and there again the people voted themselves into a health unit. This is not the kind of health unit that is in effect in Swift Current, where the services are available as I have indicated, but more particularly one in which sanitation and preventive methods may be used to combat the spread of disease, and the like.

Today more than half a million people, or over two-thirds of the population of Saskatchewan, are included in some health region or some health unit. The success of the hospitalization plan is so well known that when, for example, in the recent general election in the province the Liberal opposition sought power it made the claim that it could improve the hospitalization plan. They did not suggest that they would do away with it or eliminate it, but rather that they would improve it. We know they did not get the opportunity to carry out their plan; but their attitude indicates that the plan has the support of all parties in Saskatchewan, because the people of that province are familiar with its benefits.

Various excuses have been given as to why this could not be proceeded with. The principal excuse is that there are not enough hospitals in Canada. As hon. members from Saskatchewan are aware, when the hospital plan was put into effect in that province there were not enough hospitals to take care of the people who wanted hospitalization, because so many people had deferred operations and other medical care. Then, suddenly, they found they were able to go to the hospitals because they were not then placed under a heavy financial burden in doing so. At that time there were less than four hospital beds per thousand of population. Because of the Saskatchewan government's building program, and then through federal aid which came two years later, we have now something like eight beds per thousand of population. I suggest therefore that these excuses will not hold water.

In order to place our views before the house, and to test the feeling of the house I move, seconded by the hon. member for Vancouver East (Mr. MacInnis), the following as an amendment to the amendment:

That the amendment be amended by deleting paragraphs (d) and (e) and by substituting therefor the following:

"We regret further that Your Excellency's advisers have failed:

(a) To recommend legislation establishing a nation-wide health insurance program, with provision for provincial administration;

(b) To implement their proposals to the dominion-provincial conference of 1945."

[Mr. Coldwell.]

There are several points that I suggest must be kept in mind in connection with any plan. First of all, we think that the plan must be contributory, and that these contributions should be based upon ability to pay. This is somewhat different from the old-age security program, where some today are required to pay no more than $30 this year and $60 next year and thereafter.

Secondly, we believe that the plan should be so arranged—it can be, and indeed has been so arranged in other countries—that every individual shall have the right, as of right, to the very best of medical care and attention that can be provided. We believe, too, that every individual should have the right to choose his doctor, and that every doctor should have the right to refuse to take a patient if he does not wish to take that patient. In other words there should be no demand to regiment either the individual or the doctor, as is so often suggested. I am convinced that whether or not we get this now, we are going to get it. The whole civilized world is demanding that suffering shall not be allowed to continue, but that relief is the duty of the community.

In other words it is the application of what sometimes we describe as the Christian principle, though it has a much wider application than the Christian principle alone; that is that we are told to bear one another's burdens. I know of no better way of endeavouring to bear one another's burdens than by relieving this terrible amount of sickness that goes uncared for in so many parts of the world.

Putting it on a much lower level, may I say that last June, I believe it was, the Minister of National Health and Welfare (Mr. Martin) told the house that losses on account of illness and disability, through accidents and for other reasons, cost the country about a quarter of a billion dollars, and that the loss in days last year amounted to something like 137 million man hours. Those are economic losses. But when we consider the great losses through suffering, the anguish of people who are not able to get all the treatment they need when they need it, I think we must see immediately how important is this piece of legislation to the national well-being of the Canadian people.

I had intended to discuss cost. However, all I am going to say about cost is that I believe the cost to the people of Canada collectively would be less than the amount we now spend for the very inadequate services we get. It is estimated that individuals spend about $500 million a year, and that the dominion and the provinces spend $175 million, making a total of $675 million.

On the basis of the estimated cost of a national health plan made by the advisory committee which reported in 1943, the cost of a health program would now come to approximately $492 million. This of course takes into consideration the increase in population and the increase in the cost of living since that estimate was made. In the Saskatchewan health survey report, tabled in this house, the amount estimated for a nation-wide health plan was $450 million. It is obviously difficult to estimate exactly what a health program would cost at this point. But even if a national health plan cost $600 million, as some have suggested, there would be a saving in money, in suffering, in anguish and in early death for many Canadians that would more than compensate for any expenditure we might make.

My time has expired. I would press the amendment which I have had the privilege of moving.

Mr. Solon E. Low (Peace River): Mr. Speaker, first I should like to concur in what was said this afternoon by the Leader of the Opposition (Mr. Drew) and the Prime Minister (Mr. St. Laurent) about that part of His Excellency's address which announces that the coronation of Her Majesty Queen Elizabeth is to take place next June. We wish at this time to reaffirm our loyalty and devotion to the crown and all for which the crown stands in the British commonwealth and concept of living. I should also like to agree with the Prime Minister (Mr. St. Laurent) in all that he had to say about the quality of the fighting forces of Canada. They are doing a wonderful job and are discharging their responsibility well. The only tragic part of the whole situation in which these boys are placed is that they have to continue to fight a limited war for an unlimited period of time. We sincerely hope that some way will be found to bring this terrible Korean situation to an early end. Our prayers will be devoted to that end.

I should also like to commend the efforts of the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne. They performed their duties capably. In fact they were very persuasive. They made what is virtually a bag of dry bones look like grain-fed western red brand beef, and that is pretty good.

I should like to say a word or two about the proposal contained in the amendments moved by the leader of the opposition (Mr. Drew) and the leader of the C.C.F. party (Mr. Coldwell) with respect to a national health plan. In our view there is no greater asset to any nation than the health of the people. Consequently every effort should be made by the people individually, and collectively through their governments, to achieve a high national standard of health and well-being. A mistake which the socialists often make is in thinking that a worthy objective of that kind can be reached through government action alone. Nothing could be farther from the truth. There simply could not be any high standard of health, even with everything an all-powerful government could do, if the individuals of the nation were not prepared to learn how to look after themselves, how to exercise restraint and use wisdom in their manner of living, and do all in their power to produce and make available health-giving foods in sufficient quantity to fill the nation's needs.

Another mistake socialists everywhere have made in the past is that, although they have laid great stress on careful planning, they have been overeager to catapult the nation or state into comprehensive health or hospitalization schemes before the means were available or the facilities were ready for them. We believe that they ought to have learned something as a result of the tragic errors that have been made in this and other countries in that respect. Social Credit Alberta launched out sixteen years ago on the beginning of a health improvement and insurance program. That program has seen continual expansion and development along very sound lines until today Albertans enjoy a very substantial measure of health services, without doubt the best to be found in Canada.

The provincial government is determined to develop that scheme as fast as it can. We believe that a national health program, built on the model of the Alberta one, is desirable and possible. Its objective should be to make it possible for every Canadian, irrespective of means, to obtain hospitalization, medical, dental and optical services and along with them a sound health education with emphasis on preventive or what are known as prophylactic measures—all of these of course to the fullest extent of need. But, sir, if such a national plan or program is to endure and succeed in its aims it must develop more or less gradually and not be imposed upon the nation in one fell swoop by an overanxious power-hungry junta of centralizers. The kind of national health program we propose would develop as rapidly as production expansion and resources development would make it possible without creating an avalanche of tax increases and without plaguing the nation with the sort of embarrassment that has almost universally followed the imposition of socialist programs

wherein serious shortages of trained personnel and hospital and clinical facilities have very soon become apparent.

The Social Credit kind of national health program would ensure that sufficient doctors, dentists, nurses, technicians, clinics and hospital beds would be made available first to take on the work as the scheme is extended. Moreover, as the program develops care would be taken to preserve, amongst those already mentioned, these fundamental principles, and I name five of them. The first is a fair measure of individual responsibility. Let us not kid ourselves that we can give everything free to individuals and not in some way damage the nation or its morale. It just is not possible.

Second, patients must continue to have their choice of doctors and the program must guarantee that there will be no regimentation of patients, doctors, nurses or hospitals. The third important principle is that emphasis must be placed on preventive medicine, keeping people well. In this connection an intensive campaign of education should be launched to teach the people what they can and should do for themselves to keep well. Amongst other things they will have to be taught the facts about food substitutes and how the people are being gypped by millers and bakers today—not all, but by some of them—who try to make the people believe that when they buy certain kinds of bread they are getting whole wheat bread. This just is not so, and the people should know it because a certain amount of unbleached, unadulterated whole wheat products is essential to good health.

The fourth important principle is that the program must be devised by joint co-operative action of municipal, provincial and federal governments, and be administered by the first two. Fifth, there will have to be provincial and federal subsidies to keep costs down. I think a fair start has already been made in Canada, and it should be aggressively expanded and extended as rapidly as resources can be made available, consistent with sound development practices. That is the way we view this whole matter of health insurance.

I should like to say a few words in connection with the whole matter of trade and the commonwealth. The boys are leaving on a trip to London tomorrow—I wish I were going with them—and they have their work cut out for them. They have been receiving a lot of advice tonight and I suppose it would not hurt if I gave them a little more. At least I am glad I can talk to the genial Minister of Finance (Mr. Abbott) before he goes because I have always said that I like him. I like to see him get along well—

Mr. Abbott: Look out.

Mr. Low: —and that is the reason I like to give him some advice. At any rate, within a few days the Prime Minister and the Minister of Finance will be sitting down in London with representatives from other parts of the commonwealth to discuss and consider the whole field of commonwealth trade and finance, and perhaps other relations. We sincerely hope that the government will exhibit at that conference a considerably changed attitude toward commonwealth relations and commonwealth trade from what we think they have been exhibiting most of the time since the war ended. The Liberal government has been altogether too tough in the matter of convertibility, and they have taken a line which has gradually diminished what our trade with the other parts of the commonwealth could have been if they had used more vision and determination to strengthen commonwealth trade rather than merely to follow the line of least resistance and the lead of the United States of America.

To be completely fair about the situation, it is true that during the war the pattern of trade had to change to some degree because at that time Britain could not supply Canada's needs, in the traditional manner, of the things we had to import. However, that is no excuse for letting the pattern continue as it has during the seven years since the war ended in 1945.

I think, Mr. Speaker, that the Liberals are just now beginning to wake up to the fact that they have hitched themselves to the most uncertain market in the world, the most uncertain market for Canada—that is the market in the United States; and for all too long they have neglected to do what ought to have been done to restore Canada to the best market she ever had and the market which she ought to continue to hold if she can in the years to come. I am speaking now, Mr. Speaker, entirely from the point of view of the good of Canada when I say we should serve the best interests of our own country and the commonwealth as a whole. I think the government should hang its head in shame over the fact that Britain has had to go behind the iron curtain, to Russia, to the enemy of the free world for a number of things she has had to get such as coarse grain, lumber, and things like that which Canada could very well have supplied.

An hon. Member: That is hindsight.

Mr. Low: You can talk about hindsight but there ought to be just a little bit of vision and foresight as well.

I quite realize that since the war ended in 1945 Canada had advanced a grand total of $1,763,900,000 in financial assistance to other countries up to March 31 of this year. Of that figure $1,185 million represent loans to Great Britain, all of which will be recoverable in the future. In addition there were certain direct credits that were made available to some of the European countries. I will not detail those at the moment. In addition to those credits made available to certain European countries, contributions sent to the United Nations agencies have totalled $203,100,000, which includes $154 million advanced to UNRRA, $12 million to post-UNRRA relief, $15 million for the Colombo plan assistance to India, $10 million for assistance to Pakistan, and just over $1 million contributed by Canada to the technical co-operation payments plan for India, Pakistan, Ceylon, and Greece. Some $325 million has been contributed by Canada for military aid to NATO countries. That was very largely a transfer of existing stocks of armaments and equipment which the Canadian army had been keeping as a mobilization reserve. Actually every Canadian has contributed $46.40 in these forms of aid to other countries, which is not recoverable.

Now, sir, Britain has been the biggest beneficiary of the Canadian assistance I have outlined, and I am not pleading that we continue to help Britain in the ways I have cited and which have been the pattern since 1945. I think we must consider much greater aid to the underprivileged countries under the Colombo plan and the technical co-operation arrangements. I much prefer to see us drop sacks of wheat and food materials into these underprivileged countries to help them live in some measure of happiness and contentment, than to be draining off our production in the form of arms and shells to destroy our fellow men in warfare. In my judgment food can be made a far more effective weapon than atom bombs; and using that weapon, peace could be brought to this world much more quickly than by all the military campaigns that could ever be fought.

We think there are very worth while, physically and financially possible measures that can be taken by Canada to help these countries that are in need and to help Britain and other parts of the commonwealth get on their feet, particularly Britain. We have believed and asserted over the past seventeen years—and by "we" I mean the Social Credit group—that the British commonwealth of nations offers the only assurance of bringing balance once more into a world of trade that has become seriously out of balance. What the government seems to have forgotten is that our great neighbour to the south, the United States of America, has within her borders as much as 50 per cent of the world's total industrial capacity. This makes her a colossus both in the industrial world and in the world of trade.

Ever since the United States became the industrial giant she is, she has had a tendency to hog the channels of trade and has consistently refused to balance her trade with the rest of the world. This has brought about a condition under which the other countries of the world have not been able to secure enough American dollars to be able to buy from the United States the things they needed. As a consequence the streams of trade have to quite a large degree been dried up; and perforce, the United States has had to resort to Marshall plans and gifts of great quantities of goods to other countries to make up for what normal trade ought to be doing.

If the British commonwealth of nations with its widely scattered territories, its tremendous production, and its very large population will revitalize their sinews into strong unity it can become the one factor which is capable of bringing order and balance into an unbalanced world of trade. Canada should be taking the lead in this revitalization. Thus far since the war the Liberal government of Canada has been very diffident in its approach to commonwealth matters and has been an abject follower, instead of the bold and courageous leader that everyone had the right to think it should be.

When the Canadian representatives sit down at the London conference they ought to be guided by the determination to restore our traditional trade patterns, and not worry their heads off about this business of convertibility of currencies. We in this group feel that every effort should be made by Britain and by us to help Britain once more get investments in other parts of the commonwealth. Britain should even now be doing something about investments in Canada. There is still ground floor space in such things as the petroleum industry where, specifically, I will name the Athabasca tar sands. If Britain will make a supreme effort she can get hold of a block of those sands and set out, like some of the other countries, to perfect methods of separation so that eventually she will contribute to her own and the world's supply of petroleum products. As I say, other countries are getting into it, and I think Canada should be doing everything possible to help Britain to get into the oil development in this country. In due time the investment will pay off handsomely. The thing is physically possible, and we Social Crediters have always claimed that what is physically possible can be made

financially possible. In the years ahead Britain will have to have returns in the form of investment income if she is to maintain her place in the world of commerce.

In the second place, Canada must be prepared to send to Britain the food materials and a good many other raw materials which Britain needs and which we can supply, not in the form of gifts or loans but on a straight deal. The Prime Minister used some words this afternoon and this evening which I thought were not very logical. He reminded us that Britain in the past year had bought something like $631 million worth of goods from us and that Canada, a nation of 14 million, had bought something over $400 million from Britain. There was a $200 million disparity. Britain cannot afford to buy $600 million worth of goods from Canada if we only buy $400 million from her. It is just impossible. Somehow the disparity has to be made up.

The Social Credit group in this house for a good many years has advocated that Canada should be prepared to accept from Britain in payment for these goods the only thing Britain has to pay with at the present time, namely her own currency, sterling. There is no doubt in my mind that Canada can trade about amongst the countries of the sterling area to obtain with the sterling the things which Canada needs. It may take a little time, but if in accepting sterling we help Britain to get on her feet, and at the same time sell to advantage the products which we have to export, it will be worth taking the time. And while we are trading around in the sterling area there is no question in my mind about the ability to finance the whole deal within Canada, just as in 1917 we financed the advance of wheat to Great Britain by an issue which was arranged by the minister of finance.

Canada should also show her good faith in this whole matter of the revitalization of the commonwealth by encouraging the import into this country of those things which Britain can supply. There are encouraging reports now coming out of Britain which indicate that since the socialist government was defeated production has gone ahead by leaps and bounds. Canada is going to need quantities of television material. I am convinced that the British product is the best in the world. There is no reason why Britain should not supply Canada's needs in this respect just as fast as Canada expands her television program.

That is not all. In the field of the development of the St. Lawrence system Britain could supply us with great quantities of steel headgates and materials that will be used to develop this waterway. We should be prepared to buy them from Britain. In my judgment there is no reason why those things should not be done. In addition to that, we should encourage imports of other things that Britain could supply, including automobiles. I believe we should be ashamed of the fact that in Canada we hear a lot of criticism about the antiquated production methods of Britain, and charges that the cost of British goods has been made inordinately high as a consequence of the British social security system, while at the same time we put every obstacle in the way of marketing their automobiles in Canada. I say we ought to be ashamed of ourselves. We Canadians declare to the world that we believe in competition, yet we do everything we can to prevent competition. At least certain entrenched interests in this country do so, and they do it with the sanction and assistance of this government; at least that is the way it appears to me.

The situation is pretty well summed up, Mr. Speaker, in this editorial which was published not so long ago in the Calgary *Herald*. I am just going to quote briefly from it.

> When the two big winter automobile shows are held next February, in Toronto and Montreal, the first major shows since the war, there will be no British cars on view before the Canadian public. They have been black-balled by the Canadian automobile industry.
>
> When British motor manufacturers and traders revealed what was going on, and protested, the National Automobile Shows Inc. at first maintained utter silence, and then its general manager, J. L. Stewart, came up with the explanation that the exclusion of British cars was not a question of patriotism or of international economics, but was a simple matter of everyday business. Canadian firms, he said, had invested several million dollars in facilities and advertising, and they did not propose to invite companies outside the association to share the benefits of their advertising benefits.
>
> He did not explain how it is that a number of United States firms which have not kicked in to the association since 1927 will be showing their cars.
>
> He might also explain how it is that at the world-famous Earl's Court motor show in London, an immeasurably fancier and more expensive show than any Canadian association is apt to venture into, there is a distinct section set aside for the display of Canadian-made cars.

That is good sportsmanship, and I think we ought to be exhibiting the same kind of sportsmanship in this country. If we expect Britain to buy from us, we have to be prepared to buy from her and to do so on a competitive basis, not some arbitrary basis that some of these people like to think up.

I need not point out at any length, Mr. Speaker, that we have hitched ourselves to a very uncertain market, that is the one in the United States. Events of the past ten months should have served to convince a lot of foolish people that the United States of America does not need too many of the products which Canada produces. Whenever it

suits her purpose to do so, without any warning whatever, the United States is apt to throw up embargoes or tariffs to keep out Canadian production. The foot-and-mouth disease in Saskatchewan gave her a perfect excuse for excluding Canadian meat products. There is no good reason in this world, except of course for the fact she does not need to import those products to Canada, why the embargo should have continued as long as it has. Our cheese was excluded from the United States last summer, and the consequences nearly ruined the cheese industry of central Canada. The United States seems to consider she is not bound by the Geneva trade agreement, although she would yell to high heaven if Canada were to exhibit such ideas and tendencies.

The Liberal government was very foolish and shortsighted to allow Canada to become dependent on these uncertain United States markets. As I said, I am not speaking from sentiment at all in this regard but from the necessity of restoring our traditional markets. It is largely from the sense of good business for Canada and Canadians, as well as from a well-founded belief that the British commonwealth, if it strengthens its ties and comes to a unity of purpose, will go far towards restoring balance and Christian decency in world trade. For seventeen years we Social Crediters have taken essentially this same position which, Mr. Speaker, gives the absolute lie to the statement that was made by the Minister of Mines and Technical Surveys (Mr. Prudham) in my own constituency not so long ago when he attended a Liberal convention there. I wish he were in his seat right now, because I should like to talk to him pretty straight.

This is the same minister who, at the Liberal convention in Calgary, made the statement that if the government does not win the next election it will be because the government has been doing too good a job of statesmanship and not enough of playing politics. At the nominating convention in my constituency this self-styled statesman told the people that he believed Mr. Low's talk about empire ties and preferential tariffs for commonwealth countries was catering to British sentiment in Ontario. He said, "I don't think he is sincere."

Mr. McIlraith: Hear, hear.

Mr. Low: I hear "hear, hear" from the member for Ottawa West (Mr. McIlraith). I am sure, of course, that the people of this country, of the Peace river country and of Alberta, cannot lose sight of the fact that in making that claim the minister from Edmonton, who claimed that I am not sincere—this goes for the member for Ottawa West as well if that is what he meant by his "hear, hear"—was definitely getting off the path of statesmanship and down into the gutter of very questionable politics. Now, I ask who are they—

An hon. Member: Hear, hear.

Mr. Low: I ask, who are they to deny anybody's sincerity?

Mr. McIlraith: Mr. Speaker, perhaps out of fairness to the hon. member I ought to say that I understood that in making the reference he did to the improvement in empire trade he was seeking to appeal to the British sentiment in Ontario; that was what I understood the quotation to be, and when he read the quotation I added the "hear, hear" because I agree.

Mr. Low: I wonder how long a man does have to keep pressing for the strengthening of the commonwealth and the restoration of our traditional market, that is the market the Liberals have thrown out the window, before he can convince the minister from Edmonton—there may be some others—that he is sincere. Certainly seventeen years ought to be sufficient. For seventeen years, Mr. Speaker, the Social Credit movement has been preaching the same doctrine, and it has not been for the mere purpose of catching votes in Ontario. We have taken that position because we sincerely believe it is the best way to build for peace and decency. It is also the best business for Canada.

It is now ten o'clock, sir, and I do not know what your desires are with respect to adjournment. I do have some time left, but if it is your desire I shall leave it until tomorrow.

Mr. Speaker: Is it the wish of the house that I call it ten o'clock?

Some hon. Members: Yes.

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

HOUSE OF COMMONS

Tuesday, November 25, 1952

The house met at 2.30 p.m.

FIRE

DAMAGE TO TOFINO AIR BASE—PRIVILEGE, MR. PEARKES

Mr. G. R. Pearkes (Nanaimo): On a question of privilege, Mr. Speaker, yesterday I asked the Minister of National Defence (Mr. Claxton) a question regarding the fire at Tofino and censorship—monitoring over government telephone lines—of information coming out of that village. In reply he said there was no censorship of any kind.

I have received information today by wire from Vancouver island which states: "Censorship by R.C.A.F. on west coast became worse today instead of better." Contrary to denials and apologies "a tight veil of secrecy is still maintained". Airmen are confined to barracks, I am informed, and civilians are forbidden to approach the area of the fire. Civilians of Tofino have been instructed by the R.C.A.F. to give out no information and to maintain a strict silence.

The government telephone operator is reported as claiming that she had been instructed that she was to allow no information about the fire to pass through her office at Tofino. However, the divisional superintendent at Vancouver did apologize, I am informed, for the monitoring and said that "he was sorry it had happened". In view of the above it would seem that the minister was not fully informed of all circumstances when he made his answer yesterday that there was no censorship of any kind. I would request that the matter be further investigated so that this house may be fully informed.

Right Hon. C. D. Howe (Acting Prime Minister): Mr. Speaker, I doubt if a question of personal privilege was involved in the statement made by the hon. member for Nanaimo (Mr. Pearkes), but in any event if he will table his message I will ask the Minister of National Defence (Mr. Claxton) to inquire into the matter—of course with the signature of the sender.

Mr. Drew: That was an unnecessary comment.

[*Later:*]

On the orders of the day:

Mr. Pearkes: Before the orders of the day are called, may I have permission to table the telegram I have received from Mr. Seth Halton of Victoria, and requested by the Acting Prime Minister (Mr. Howe). I ask the leave of the house for it to be reprinted in *Hansard.*

Mr. Speaker: Do I understand the telegram was read by the hon. member for Nanaimo?

Some hon. Members: No.

Mr. Speaker: I cannot allow the telegram to be tabled. I do not think it is a public document. It is not customary to table telegrams.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I would point out that the Acting Prime Minister has asked that it be tabled. In conformity with that request it is now submitted, and it is therefore appropriate that the telegram be placed on record in the way suggested.

Mr. Howe: Mr. Speaker, the hon. member for Nanaimo (Mr. Pearkes) was reading from a document. I think it is customary when reading from a document in the house that the document be tabled. I hope that will be permitted, but I know of no reason whatever why the telegram should be reprinted in *Hansard.*

Mr. M. J. Coldwell (Rosetown-Biggar): Is that contention of the minister's correct? My understanding is that only when a document has been read by a minister must it be tabled. For example, I do not necessarily have to table a document if I read it.

Mr. Drew: Might I make a suggestion? That problem could be solved by the Acting Prime Minister reading the telegram.

Mr. Speaker: Probably the member for Nanaimo, if he would like the Acting Prime Minister to read the telegram, could send the telegram to him. Would that be satisfactory?

Some hon. Members: Agreed.

Mr. Pearkes: I only read some short extracts from the telegram which I thought

Tofino air base

were pertinent to the case. There is a lot of information in it which the Acting Prime Minister is welcome to read, and which would probably cause some amusement in the house.

Mr. Speaker: The hon. member for Nanaimo is sending the telegram to the Acting Prime Minister. There is no provision for having the telegram appear in *Hansard* at this stage.

Hon. Brooke Claxton (Minister of National Defence): Yesterday the hon. member for Nanaimo asked me a question, and I could not be in the house when some reference was made to it today. I now have an interim report, but in view of the fact the hon. member seems to have other information I would be glad to get it from the Acting Prime Minister and will make an appropriate reply.

I should, however, supplement what I said yesterday by saying that at present Tofino is little more than a construction camp. Work there has been carried out by a nucleus of R.C.A.F. personnel from No. 2 construction and maintenance unit, Calgary. The rest of the personnel is civilian casual labour raised on the west coast. The R.C.A.F. detachment at Tofino is headed by a junior officer, a flying officer, who is directly responsible to the CMU organization in Calgary.

It is common practice for information in connection with any of the CMU projects to be given out by the parent unit in Calgary. Accordingly, when the fire occurred at Tofino, personnel there were told that information concerning the fire would be released by the responsible persons at the CMU in Calgary. I understand that the Calgary *Herald* and a press agency were given all available information.

There is one telephone into the construction camp at Tofino, and as far as the responsible R.C.A.F. personnel are concerned there has been no effort to monitor this telephone, nor has there been any monitoring of the telephone set up at the Calgary unit. Owing to the conditions in the Tofino area the telephone service has been very poor. This is the hon. member's constituency—

Mr. Gibson: No, it is mine.

Mr. Claxton: No doubt he knows more about the telephone service in this area than I do.

Mr. Pearkes: Those are government telephones, are they not?

Mr. Claxton: I do not know. At any rate, we have not been able to reach the station by long distance telephone during the last two days to obtain additional information.

[Mr. Pearkes.]

CANADIAN WHEAT BOARD ACT

AMENDMENT PROVIDING FOR PAYMENT FOR FARM STORAGE

Mr. H. R. Argue (Assiniboia) moved for leave to introduce Bill No. 5, to amend the Canadian Wheat Board Act, 1935 (payment for farm storage).

Some hon. Members: Explain.

Mr. Argue: The purpose of this bill is to change the Canadian Wheat Board Act to make it certain that producers in the designated area will be paid the regular storage charge for grain stored on the farm. The determination of the date from which payment is to commence is left to the Canadian wheat board, but the payment of such storage charges to producers is by this new subsection made compulsory.

Motion agreed to and bill read the first time.

CRIMINAL CODE

LIABILITY OF DIRECTORS OR OFFICERS OF CORPORATIONS

Mr. H. R. Argue (Assiniboia) moved for leave to introduce Bill No. 6, to amend the Criminal Code and the Combines Investigation Act (liability of directors).

Motion agreed to and bill read the first time.

POST OFFICE

PAYMENT OF RURAL MAIL CARRIERS

On the orders of the day:

Mr. J. W. Noseworthy (York South): I should like to direct a question to the Postmaster General. Is it the intention of the government to refer the legislation respecting payment of rural mail carriers mentioned in the speech from the throne to the special committee which the Postmaster General indicated on June 9 would be set up this session?

Hon. Alcide Coté (Postmaster General): This question is under consideration, and a decision will be made as to the appropriate manner of carrying out the project mentioned in the speech from the throne.

POSTAL SERVICE

SATURDAY AFTERNOON CLOSING—MEDICINE HAT

On the orders of the day:

Mr. W. D. Wylie (Medicine Hat): Mr. Speaker, I should like to direct a question to the Postmaster General. I am sorry that I did not send him notice of it, but I imagine that he will be able to answer it. In view of the fact that the post office in the city of

Medicine Hat is closed on Saturday afternoons, will he give serious consideration to keeping it open on those afternoons? It is a big handicap to the people to have to come in to the city on Saturdays.

Hon. Alcide Coté (Postmaster General): I will take the question as notice and see what can be done about it.

WHEAT

QUESTION AS TO PAYMENTS ON FARM-STORED GRAIN

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Will the Minister of Trade and Commerce give consideration to making an advance to producers, either through the wheat board or some other agency, for farm-stored grain that the producer is unable to market?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I know of no necessity for an advance on farm-stored grain in 1952. The wheat board is in process of distributing $158 million of final payments for the 1951 crop at the present time. Marketings of the 1952 crop are in larger volume than marketings of the 1951 crop were at this time last year. The present crop is of high grade, and therefore the payments to the producer are higher than last year. If additional funds are required, surely the grain stored on the farm or stored elsewhere is security for a loan from the bank, should that be necessary. I should think that this year, of all years, there is small requirement for a payment on farm-stored grain.

RADIO BROADCASTING

QUESTION AS TO ABOLITION OF LICENCE FEE

On the orders of the day:

Mr. Gordon Graydon (Peel): May I direct a question to the Minister of National Revenue? When does he expect the government will be in a position to announce the abolition of the radio licence fee?

Hon. J. J. McCann (Minister of National Revenue): That question is a matter of government policy, and an announcement will be made in due course.

Mr. Graydon: But it will be abolished.

KOREA

RATIONING OF AMMUNITION—QUESTION AS TO TANK REPLACEMENTS

On the orders of the day:

Mr. Gordon Churchill (Winnipeg South Centre): I should like to direct two questions to the Minister of National Defence of which I have given him notice. First, are tanks used by Canadian forces in Korea so short of ammunition that they are permitted to fire only two shells per tank per day? Second, are Centurion tanks being obtained to replace the present equipment of the Lord Strathcona's Horse in Korea?

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, in answer to the first question I can say that during relatively static periods on any battlefront ammunition is rationed in the sense that guns of all types are allowed a certain number of rounds per day. That is so that they can build up stocks either to meet an attack or, as in this case, to meet the possible contingency of an ultimate armistice. We certainly are not going to give the number of rounds per day that are to be fired by any Canadian artillery until they have been fired. The hon. member knows very well indeed that it would be highly improper to do so even if it referred only to the Canadian forces. But in this case our ammunition is supplied from United States sources. We are on the United States supply line and get precisely the same treatment as the Americans get. I am sure that the American military authorities in the United Nations would be the first to refuse this information.

With regard to the second question, may I say that we are always considering possible developments in matters of equipment. The question of possible change from the Sherman tank which we are using in Korea is continuing to receive consideration.

CANADIAN NATIONAL RAILWAYS

HOTEL MANAGEMENT—DEMOTION OF ROBERT PITT

On the orders of the day:

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, on Friday of last week I was asked by the hon. member for Lake Centre (Mr. Diefenbaker) whether I had received any complaint in connection with the transfer of the manager of the Fort Garry hotel to the Canadian National Railway hotel in Brandon. I replied that I had received no complaint. I was also asked whether an investigation had been made. I should now like to reply to that question.

I have not asked for any investigation about the recent transfer of Robert Pitt from the post of manager of the Fort Garry hotel in Winnipeg since this involves a matter of internal management of the railway. Such changes in official staff frequently arise in the course of managerial decision and are necessary to ensure the maintenance of a

high standard of service and efficiency. The president of the railway informs me that recent changes in managers at the Fort Garry, Prince Edward and Prince Arthur hotels were made as a result of recommendations from the general manager of hotels of the Canadian National Railway system.

Mr. Graydon: Is there not something more to the story than that?

[*Later:*]

Mr. Graydon: May I ask the Minister of Transport a supplemental question relating to the matter he has just raised in the house. May I ask him if he is satisfied in his own mind with the answer that was given by the Canadian National Railways and that it is just a routine matter so far as the movement of that manager is concerned?

Mr. Chevrier: Mr. Speaker, I am perfectly satisfied that that is a proper explanation. Otherwise I would not have given the answer I gave a moment ago.

Mr. Graydon: Does the minister think that is the whole story?

Mr. Ross (Souris): He is easily satisfied.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, November 24, consideration of the motion of Mr. J. L. Deslieres 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. Solon E. Low (Peace River): Mr. Speaker, while I was speaking last evening an exchange occurred between me and the hon. member for Ottawa West (Mr. McIlraith) in which it appeared that we misunderstood each other. The hon. member for Ottawa West was good enough to come up to my office to explain the situation; and although I was not there at the time—and I apologize for that fact—I learned his reasons and I now see that what I said certainly did not apply to him. I apologize to him for any injustice that may have been done him from what I said.

Not many months will pass until, no doubt, Canada is again locked in the struggle of a general election campaign. It is that fact which prompts me to make a few comments about certain questionable practices that appear to be taking root in the political campaigning in this country. What I have to say at this moment, Mr. Speaker, depends to quite a large degree upon the accuracy of reports that I have seen. If those reports are not true, I will certainly stand corrected because it is not my desire to hurt any person or to heap any injustice upon him.

During the week of November 11 in the by-elections in British Columbia, the leader of the C.C.F. sank into what I think is a vile type of campaigning which people generally despise and which they sincerely hope will not become a common practice in this country. He introduced what to my mind was a type of politics which might be acceptable in some countries that have got right down into the gutter, but that type certainly should have no further place than it has had in Canada.

The C.C.F. leader is reported to have declared from a public platform that the new British Columbia cabinet was "steeped in racial prejudice". Reports of his meeting quote him as further saying:

> . . . the social credit movement through its leader, Solon Low, has displayed anti-semitism and racial discrimination.

When British Columbia's Premier Bennett called upon Mr. Coldwell either to prove his charge against the British Columbia cabinet or to withdraw it, the C.C.F. leader not only refused to prove or to withdraw but replied with more of the same kind of thing.

Mr. Coldwell: Mr. Speaker, may I rise on a question of privilege? First of all, I referred to the Social Credit movement, not to the British Columbia government. In the second place, I produced the proof of the statements that I then made.

Mr. Low: Mr. Speaker, that of course puts an entirely different complexion upon what I have to say.

At Courtenay, following the first time that the charges were made, the leader of the C.C.F. repeated the same charges with some additions. Amongst these latter—that is, the additions—were two which concern me greatly, namely:

1. That he could prove that Low had preached racialism and anti-semitism; and

2. That Premier Ernest Manning of Alberta "had attacked the worth of the secret ballot".

It is most offensive and repulsive for me to have even to take notice of this depraved kind of politics.

Mr. Coldwell: Mr. Speaker, the hon. gentleman invited me to correct any misstatements. I am going to correct that misstatement that is made right now.

Mr. Low: If the hon. member will give me time to finish the statement, I will issue a challenge to him and give him plenty of opportunity.

Mr. Coldwell: Mr. Speaker,—

Mr. Low: Mr. Speaker, I believe I have the floor; and I may say that my time is limited.

Mr. Coldwell: Mr. Speaker, I am obliged to abide by the rules of the house. The challenge issued to me would not give me the opportunity of replying on privilege. I want to reply, on a question of privilege, to a misstatement which is made.

Mr. Low: I hold that there is no question of privilege until I have made my statement.

Mr. Coldwell: The hon. member has now made it.

Mr. Low: I have made only one part of it and I wish to continue. I say that it is most offensive and repulsive for me to have to take notice of this—and I repeat it—depraved kind of politics, because I like to occupy my mind with higher and better things. But if we did not take notice, Mr. Speaker, the hon. gentleman might be encouraged to go about the country using the same cesspool methods and claiming that because we did not reply to him we are guilty. By sinking into this type of campaigning the C.C.F. leader was acknowledging the utter inability to answer real social credit claims and policies. He recognized thereby and admitted the inferiority of the C.C.F. More than that—

Mr. Speaker: Order. The hon. member is using quite strong language when he uses the words "cesspool methods". There is no objection from the house, but I think it would be better probably if language not so strong were used in the debate.

Mr. Cruickshank: That is the kind he uses all the time.

Mr. Low: Well, Mr. Speaker, I will certainly withdraw anything that is objectionable to this house. I do not wish in any way to offend, but I want to be just as strong about this matter as the law will allow because, Mr. Speaker, it is most offensive. I will withdraw the word "cesspool". I will say this. In doing the thing that he did in that campaign the leader of the C.C.F. party displayed that the spirit which activates at least a portion of the C.C.F. is the evil and destructive spirit of communism. I deny—

Mr. Coldwell: I object to that statement, Mr. Speaker.

Mr. Low: I deny most vehemently that I have ever preached, reflected or displayed in the actions of my life either racial discrimination or anti-semitism.

Mr. Coldwell: I have the proof here.

Mr. Low: I deny that the British Columbia Social Credit cabinet is steeped in racial prejudice. I deny that Premier Ernest Manning ever at any time attacked the worth of the secret ballot, and I challenge the C.C.F. leader to take the opportunity right here in this house to establish the truth of those charges.

Mr. Coldwell: Mr. Speaker—

Mr. Low: He cannot establish the truth of those charges.

Mr. Coldwell: On a question of privilege, Mr. Speaker, I am prepared immediately to accept that challenge.

Mr. Speaker: Order. The rules of the house do not provide an opportunity at this time for the hon. member to meet the challenge.

Mr. Low: I finish by declaring that he cannot establish those charges because they are falsehoods, every one of them.

Mr. Coldwell: I hold the proof in my hand, Mr. Speaker.

Mr. Speaker: Order. Perhaps on another occasion the hon. member for Rosetown-Biggar will be given an opportunity to answer the charges. As I have previously said, the rules of the house do not provide for an answer to be given at this time.

Mr. Coldwell: May I do it on a question of privilege, Mr. Speaker?

Mr. Speaker: It is not a question of privilege within the rules of the house.

Mr. Coldwell: I will do it on a future occasion.

Mr. Low: That will be wonderful, sir, and we shall be prepared to meet him head on.

Mr. Coldwell: "Head on," my foot.

Mr. Low: Mr. Speaker, in his lengthy speech yesterday the Prime Minister (Mr. St. Laurent) indicated considerable comfort in what he and quite a number of witnesses he produced thought was the solid strength and vitality of Canada. I believe that the Prime Minister was sincere in what he said. I would not accuse him of insincerity, and I would not want to take away from him, nor try to minimize, any credit that is coming to him for what part he and his government may have played in bringing Canada to the position of one of the leading countries of the world. But while I grant his sincerity, I cannot agree with him in all that he said, that all is as well as he implied. There are a good many things that appear to have escaped the Prime Minister's attention.

In the first place, the present prosperity is underwritten by billions being spent for armaments. David Lawrence, in the *U.S. News and World Report,* said recently:

> It makes one shudder to think what the sudden outbreak of peace might mean to the American economy.

Well, I fervently hope, for the sake of the fathers and mothers and families of our gallant boys in Korea and in our armed services in Europe and in other places, that an armistice will be signed very soon so that they can come back into civilian life. Yet, it makes me shudder to think what the sudden outbreak of peace might mean to the Canadian economy. The question naturally arises in my mind: Are we ready for peace? That is a question which the Prime Minister did not deal with in his speech.

Although Canada appears to be enjoying unparalleled prosperity and high prestige throughout the world, the Canadian people are in a state of revolt against the governmental futility in the face of national and world problems which the old parties do not know how to solve. An ever-increasing number of the human race are feeling the pinch of a strange economic era. Ours is indeed a weird civilization, floundering in a sea of paradox.

There is widespread poverty, insecurity and ignorance in the world today, in the midst of potential world abundance. Half of the human race are always hungry. In the face of this tragic fact, Canadians are not producing anything like the quantities of foodstuffs and other materials that they could produce. Two main reasons for this situation are these: The failure of the government to hold out proper incentive by adopting stabilized prices and less discouraging taxes; and the fact that the Liberal party would not know what to do with the production if it were brought into existence. They have not yet begun to solve the problem of distribution either nationally or internationally. Maldistribution remains humanity's worst disease. It dogs every country and every people, not because there is no solution, but because political parties in power are unwilling to adopt the only measures that can cure the disease.

Consequently, there is in Canada a deep discontent with political parties that fail to get things done. That discontent is directed particularly against the Liberal party because in 17 years in office it has done little towards curing the disease of maldistribution. No matter how joyously a political party sweeps into power, nor with how great a majority it takes over the reins of government, it must deliver the goods if it is going to stay there. This Liberal government has not delivered the goods. Consequently, there is a deep and widespread feeling of futility and I maintain, sir, that that feeling of futility will sweep the Liberals out of office because they have not learned the lessons of the great depression and of their own election experiences of the past.

Maldistribution is still a great and disturbing problem even today in Canada, and although our self-styled, or some of our self-styled Liberal statesmen congratulate themselves on what they have done, the people know that underneath all the froth and the frills we are very little nearer a cure for the maldistribution disease than we were fifteen years ago. I am going to produce a few evidences to support that claim.

The first one is this: After a good many years of nagging we got this government last year to bring in Bill No. 181, which provided a somewhat better deal for our disabled war veterans. The maximum amount of the allowance was increased up to $90 a month for a married veteran, but serious injustice was done when the means test was inserted into the act that put an unfair ceiling on the income that one of those disabled heroes could earn in a year. That was measly and stingy treatment of the men who served this country as well as these old sweats did. But every red-blooded Canadian was outraged when the government's new regulations under the act were issued late in the summer. The net effect of these parsimonious regulations is that one of these veterans may work for 20 eight-hour days in a month, and yet increase his total allowable income by only $8, which is actually 5 cents an hour for the time worked. I ask, sir, if that is fair and just distribution of the abundance that Canadians can produce. We will let the people of this country decide.

We in this corner of the house press strongly for a standing committee on veterans affairs, and for the immediate removal of the means test from war veterans allowances. There is no good physical reason why these married disabled veterans should not be receiving $120 a month instead of $90, without the means test. I claim there is a potential market, right there, among these old soldiers and their families, for Canadian production that has not been exploited as it should have been. I speak of the market there available. We should hang our heads in shame for the treatment we have meted out to these old fellows.

Then, secondly, the government takes credit for vast improvement in the lot of Canada's aged citizens as a consequence of the recent Old Age Assistance Act and the universal

pensions for those over 70. But everybody knows that the maximum pension of $40 today will buy only about the amount of food, clothing and shelter that $20 would buy fifteen years ago. So our aged citizens are not much, if any, better off than they were back in 1938 or 1939. And right there, again, is a vast market for any surpluses that appear in Canada, a market among our senior citizens, if we have gumption enough to supply them with the purchasing power.

Then, third, let us take the case of the many thousands of crippled unemployables or crippled folk who are willing to work, but who are not able to earn a living because so many sensitive souls do not like to see them working where they are visible. What has the government done for them? Nothing—and there are many thousands of them. These folk met with tragedy, or were not endowed by nature successfully to earn a decent living in competition with physically well workers. They are our brethren in the big human family which acknowledges God as father. It is our duty, and it should be our pleasure to help the members of our family to enjoy a decent living. Right there, again, is a potential market for much of what we can produce. Social justice demands action to distribute to these needy people what they need for some sort of joyful living.

Then, the fourth point is this: I would remind the government that during the war the farmers of Canada were promised stabilized prices on a long-term basis in return for an agreement to furnish wheat to Britain and to Canadian millers at a price considerably lower than what could be realized in the world markets. The farmers kept their part of the bargain, but the government did not. As a consequence last year, for example, the farmers of Canada, who number about twenty per cent of our total population, received less than ten per cent of the national income.

There is a glaring example of maldistribution. Farm prices have been going down, but machinery, repair and supplies prices have been going up, thus ever widening the gap between what the farmers receive for their efforts and what they have to pay for the things they have to buy. The futility among the farmers engendered by this situation has been very materially increased by the government's farmer income tax policy, and the fact that federal support on beef played very largely into the hands of the packers, not the farmers, and gave our cattle producers little or no relief at all from a situation arising out of our loss of the United States market last spring. The feelings of farmers today toward the Liberal party are not the kind of feelings, I can assure you, that put political parties back into power.

Finally, mismanagement by the Liberal government of those things which have caused the serious decline in the purchasing power of the Canadian dollar has put many thousands of retired and superannuated Canadians, and others who have to live on fixed incomes, in a very serious position. Their effective incomes have become just half what they were in 1945. Real suffering and deprivation exist with many of them. Here again the maldistribution disease has struck with evil consequence both to the individual in the fixed income class and to the nation as a whole. I could go on to cite other instances, but I see my time has expired.

Let me say this in conclusion. Surely it is important, if we are going to get things done, not to be swept aside from our asserted purpose into paths of expediency, as we so often are. That expediency has been the cause of much of the futility that exists among the Canadian people.

Mr. Daniel McIvor (Fort William): Mr. Speaker, hon. members and cabinet ministers, it is a great thrill to an Irishman to see a good battle, even though it has not gone farther than a verbal contest. I congratulate both leaders of the groups in the corner of the chamber on the fight they are putting up. I almost thought I was in British Columbia.

May I extend my congratulations to the mover and seconder of the address in reply to the speech from the throne. I thought they did a good job, and noted that they did not forget their own constituencies.

I do not know whom to thank for the honour of being permitted to sit beside a wearer of the Victoria Cross, but I esteem it a high honour indeed. As I think of these two members who wear the Victoria Cross, I pause to wonder at our good fortune that they have been spared to come to us on this side of the river Jordan.

I make this special reference because I wish particularly to congratulate the Minister of Labour (Mr. Gregg), as well as his deputy minister, Dr. Arthur MacNamara, upon the work they did recently. It will be recalled that Dr. MacNamara was appointed conciliator in a serious strike at the lakehead, one which affected not only the workers and the elevator owners but also the farmers of western Canada. He did an outstanding job for both sides, and there was no strike. That is the kind of work we like our government departments to do.

This brings me to the statement of my belief, that the time is due when strikes should be obliterated. But they will not be

wiped out until something better is put in their place. We should be able to suggest what it should be. My suggestion would be that industry and business concerns should give their workers fair salaries and a share of the profits. Where this has been tried it has worked effectively, not only to the advantage of the workers but also to the advantage of the government in the receipt of greater taxes, and to that of the industries concerned through higher income.

I have here a letter which deals with the Lincoln Electric Company of Cleveland, Ohio, showing that in that organization the salaries of the workers almost doubled, and that at the same time the company's income doubled, with a resulting increased taxation to the government.

This is the cure for strikes; and when we have men in business, as we have today in Fort William, who are prepared to give this scheme a try, there is hope that strikes will be a thing of the past.

Strikes are like wars in that they are a form of coercion. A strike or a shut-down is simply a use of force, and does not result in good relations between workers and management. Directors of companies would be well advised to consider a situation in which workers and management would share in the profits.

Turning to the speech from the throne, let me say I was one of those who stood in the Senate chamber behind Mr. Speaker for about forty-five minutes when the speech from the throne was delivered in that chamber. Is there any cure? I suggest that the cure would be to have the speech delivered in one language only. I do not think a speech from the throne is any more important than our time of worship in this house. His Excellency the Governor General through the speech from the throne delivers a message from the government to the Senate and to hon. members of this house while our Speaker addresses the King of Kings. If our prayers are delivered in just the one language, why could not the speech from the throne be delivered in English one year and in French the next.

I should like to say a word about the government. I realize that I sit on this side of the house and if I did not agree with the government I would have no business being here. This government has done an outstanding job by having been in power since 1935, during the course of one war and the preparations for another, without there being one accusation of graft in the speeches yesterday. I think the President of the United States should be sending scouts to this country to find out how this government has been able to do this. I think this is a marvellous performance considering all the contracts that have been let and the amount of money that has been spent.

There are three things in the speech from the throne with which I am greatly pleased. The first is the consideration that is being given to war veterans. I am going to suggest one thing in this connection, that a war veteran in receipt of a pension—the pension is never large—should be allowed to keep a roomer or boarder in his home. This would not hurt the government in any way; it would not take a dollar from the government, in fact it would help the government. I know that some hon. members have read in the Legion's magazine that this practice is denied to certain veterans and they are not permitted to keep boarders or roomers. If they were their small incomes would be supplemented.

I was pleased to see that retired civil servants are going to receive some consideration. I hope that consideration will also be given to the widows of civil servants and that their pensions will be increased.

As the leader of the opposition (Mr. Drew) has said, the government in carrying out public works is going to employ anybody. I suppose this means that red, white or yellow will be employed provided they do a decent day's work. They will then get a decent day's pay and be employed.

We had a serious accident at the lakehead this fall in the form of a terrible elevator explosion. With your permission I should like to read an article by T. E. Irons of 404 Kingsway, Fort William, Ontario. This man is an elevator worker with considerable experience over many years and he knows elevator work from the inside. I think this article will be a revelation to you as it was to me. It reads:

> Way back in 1930 in Port Colborne, Ontario, a grain elevator owned and operated by the Canadian government exploded. The building was badly damaged and there were some workers killed. Not a great deal of significance was placed on the disaster and it was soon forgotten, at least outside of Port Colborne.
>
> In 1944, the Aberdeen elevator at Tiffin, Ontario, exploded, causing great damage and killing six employees. Almost a thousand miles to the west, at the cities of Port Arthur and Fort William, this second explosion caused little stir, despite the fact that these two cities had the greatest concentration of grain elevators on the continent. Such disasters could not happen here. The eastern atmosphere conditions were different and the fact that corn was being handled at the time the explosions occurred was generally accepted as the cause; therefore no undue alarm was in evidence at the lakehead.
>
> A little more than a year passed, then on August 7, 1945 the thing that couldn't happen, did happen. Saskatchewan pool elevator No. 5 in Port Arthur

exploded. The giant building was all but demolished and twenty-three men lost their lives. When the blast occurred, refuse screenings were being loaded into a lake vessel.

This catastrophe created a tremendous stir among elevator men all over the country, and it was unanimously agreed that something must be done to prevent another such disaster. The elevator was rebuilt, hundreds of thousands of dollars spent on the installation of the finest dust-collecting machinery that could be obtained, and the best engineering skill employed in an effort to eliminate the danger. They knew the culprit that had caused the destruction and loss of life. It was dust!

For the next seven years it seemed as though they had the problem licked. Then, on September the 24th of this year, without any warning disaster struck again. A few minutes after the noon check-off for lunch, Saskatchewan pool elevator No. 4A exploded.

Six men died, one of them a member of the crew of the S.S. *Bayton* which was being loaded at the time with refuse screenings. The building was extensively damaged by the blast and the S.S. *Bayton* sustained heavy damage from the hundreds of tons of concrete that crashed on her deck. That only one man was killed aboard the boat was a miracle. Had the blast occurred just a few minutes earlier scores of men who had checked out would still have been in the building and the death toll would have been appallingly higher.

Experts from all parts will try to ferret out what caused the fatal blast, but whatever it was that set it off, the culprit is the same as in all previous cases, dust. The best of dust collecting machinery, and the skilful engineering that went into its installation, had failed! What next can be done?

It will be noted that in both of these Port Arthur elevators the explosions occurred during the shipping of refuse screenings. These screenings are just about what the name implies, refuse, and by Canadian government statute the processing of them is forbidden in Canada.

The main content of this refuse screenings is noxious weeds, dust, chaff, and straw knuckles. The danger of noxious weeds finding their way back to the farm in the processed animal feeds is the main reason for the ban, which has been clamped tightly for many decades.

Fortunately for the elevator companies the United States government has no such qualms and American processors buy up all the screenings our elevators produce. Our Canadian government experts are also concerned about the wild mustard seed content in refuse screenings, and frown upon the damage that might be done to the stomachs of livestock after eating the processed article. Livestock in the United States has been fed on it for many years without ill effect, otherwise its use would long since have been banned there also.

Proper and efficient grinding of noxious weeds destroys any tendency to germinate and, if the wild mustard content is too high, this can be reduced by blending with other components that go into the finished product.

We have men in Canada with the knowledge and skill needed to process these screenings into cattle feed and in the light of what has happened to life and property it is time for a drastic change in the present set-up.

First, the government should repeal any and all laws that forbid the processing of refuse screenings in Canada. Not next year, but now. With the green light giving the go-ahead, enough capital would soon be forthcoming to build an up-to-date processing plant at the lakehead. The cost of the two explosions that have already struck would build such a factory many times over.

Let us now look at what this would mean. Under present conditions grain elevators have to store refuse screenings until a vast quantity accumulates, before a vessel docks to load it. These large quantities take many hours to elevate to the shipping bins, and only those who have worked at shipping refuse screenings can know how much dust they create. The longer it takes for a shipment to be completed, the heavier the dust suspension becomes, until apparently the dust collectors cannot cope with the overload. Under normal conditions the handling of grain does not produce anything like the dust suspension that refuse screenings do, and the danger point is not even approached. Evidently, during a shipment of screenings, a danger point is reached—not always, but all too often—and a spark is all that is needed to cause an explosion.

Many things may cause such a spark. Pool 4A had magnets that picked up any stray nail or piece of metal that is often found in grain entering an elevator. Unfortunately, stones are sometimes found in the grain and a magnet would not attract these. A stone striking a steel bucket could cause a spark. Static electricity is also suspected, and the experts may come up with something on this. Grain elevating machinery travels at high speed and a steel bucket may become loosened, they sometimes do, and strike the steel casing through which it runs and cause a spark. There is also the careless smoker. And I hope that these disasters never take place through his cigarette causing a spark.

With a processing plant at the head of the lakes, no such protracted shipping would be necessary. One small bin would be all that was needed, and when enough was accumulated, it could be loaded into a box car and switched to the processing plant. This would mean that at no time would the screenings be in process of transfer for more than half an hour or thereabouts, and no great dust suspension would occur in that time.

To prevent the ordinary work of the day being delayed, the screenings could be loaded at night when no other grain is being handled and the amount of dust is at a minimum. If it should appear that the dust suspension was getting too great for safety, the screenings could be shut off and time given for the dust to clear before resuming the shipment. This shutting-down procedure would not work during the loading of a large amount into a boat because the delays would disrupt the whole day's work.

The scheme as outlined in the foregoing is a drastic departure from present methods but no change would be too drastic if it would put an end to these death-dealing explosions.

As long as we have grain elevators, we will have refuse screenings, and looking back at the havoc wrought by it, some other method of handling it safely is imperative. Elevators can be rebuilt, but lives lost cannot be replaced. Whether the suggestions contained herein are acted upon or not depends upon the government.

Mr. Speaker, men lose their lives in these explosions. No amount of dust screenings of wheat will compare with the life of an individual. Therefore, I ask for two things. I ask that these screenings be placed in a separate bin from the elevator. I ask that something be done for the men, that a commission be set up, and that this thing should be thoroughly investigated by the government in an attempt to eliminate the possibility of this ever happening again. Then we ask that the ban on screenings in Canada

be lifted and that we be allowed to have a processing plant at the lakehead. This explosion created a terrific effect in Fort William and some people are inclined to blame the government. However, you will find that the smaller elevators, especially the elevators near where I live in West Fort William, have had no explosions because they do not allow their screenings to become piled up. It was only when they were piled up in this big elevator of the Saskatchewan pool that the least little thing would cause an explosion and away she would go. So much for the explosion.

There are those in this house who are interested in health insurance, Mr. Speaker. For two years I sat on a committee and we heard experts from all over the world—England, Sweden, New Zealand. A bill was drawn up, and I thought it was a good bill, whereby there would be a contributory pension and an individual could choose his own doctor—the Christian Scientists choosing their own practitioner. Why was it not put in force by the dominion government?

Some hon. Members: Hear, hear.

Mr. McIvor: The reason was, and the Leader of the Opposition (Mr. Drew) would agree, that the provinces would not co-operate and the dominion government had no right to put this scheme across over the heads of the provinces.

Mr. Fleming: It was never submitted to the provinces.

Mr. McIvor: We have some things at the lakehead of which we are very proud. We have several bands and the chamber of commerce thought it wise to send our girls' pipe band—a very large number of girls are in the band and they would be a credit to any city—to Las Vegas, Nevada, for the sixteenth annual convention of the Variety Clubs International. These are the findings of those who were there: Mr. Jacob Kozloff, general chairman of Variety Clubs International: "The girls did a magnificent job—they were so co-operative and pleasant to work with—and we feel that your government should be proud indeed to have such outstanding representatives. The girls' pipe band certainly did more than their share to make our convention a successful one—and we hope we may again have the pleasure of seeing and hearing them in the not too distant future."

Mr. J. J. Chisholm, international delegate and past chief barker of the Variety Club, Toronto, comments: "The girls 'stole the show'. Everybody was extremely interested in the band and their performance could not be excelled. It made the Canadian delegation feel mighty proud to be Canadians when they saw that splendid band perform. I would definitely go on record to say that they did an outstanding public relations job for Canada and the Canadian government could well afford to subsidize this band and send them on a tour of the United States to help in bringing tourists to Canada. You people at the head of the lakes are to be congratulated on supporting this group of lovely and talented girls..."

The girls are not only fine to look at but they are born musicians. They are a credit to Canada and I hope the government will do something to help them make a tour of the United States.

Now, Mr. Speaker, I would like to mention one or two things Fort William needs. We need two deliveries of mail a day by our post office.

Mrs. Fairclough: Who doesn't?

Some hon. Members: Hear, hear.

Mr. McIvor: I am one of those who, when the one-a-day delivery was inaugurated, did not get their mail until the afternoon. For one who is not at home in the afternoon it is just like having the mail a day later. I think the time has come when the post office should go back to the two-a-day delivery. Surely the dominion government is not broke. The post office will pay for itself and we should have two-a-day deliveries.

We have difficulties with our Trans-Canada Air Lines service. When you find a double load lining up for the trip east or the trip west then it is time we should have a double line. This is a resolution sponsored by the Fort William city council:

> That overtures be made to Trans-Canada Air Lines for an additional daily flight to the lakehead in order to relieve the present passenger space shortage experienced locally for eastbound flights to Toronto and westbound flights to the lakehead from Toronto;

We hope that the management of Trans-Canada Air Lines will take this into consideration.

We have been trying for about seventeen years to get a breakwater in front of island No. 2 and we think it is nearer now than it ever was. I could have had delegations down here to meet the minister concerned but I have not called them as yet. We think the breakwater is absolutely necessary for the protection of logs for our pulp, paper, saw mills and industrial development.

Another need is to have the Pigeon River customs office open the year round for the many people going into the lakehead. An outstanding need which I reported to the

board of transport commissioners is the need for a railway crossing at Raith, on both the Canadian Pacific and the Canadian National railway. In the winter the children will stand there shivering while a freight train is there, or they will crawl through the cars at the risk of their lives. We believe that this is an absolute necessity, in view of the fact that on the other side of the tracks there is a vast tourist area ready to be opened up.

Of course, we need a federal building in Fort William, but I shall not say much about that now. I wish to congratulate the ministers of the government on the splendid work they have been doing. If the Minister of Agriculture (Mr. Gardiner) were in the house I would tell him that he and his department have done a good job in cleaning up the foot-and-mouth disease, notwithstanding the fact that some people thought they were slow. This job has been accomplished with more speed than in any other country afflicted with this disease.

I could speak of the work of the Minister of National Health and Welfare (Mr. Martin) and the work he has done in extending hospital facilities. I could speak of the Minister of Justice (Mr. Garson) and how he is looking after these big combines and bringing them to book. I could speak of the Minister of Transport (Mr. Chevrier) and the wonderful work he has been doing.

I should like to say a word about the Minister of Trade and Commerce (Mr. Howe). He has been receiving outstanding honours. He has been placed in positions in which no one else has been placed up to the present time. I should like to tell the minister that a great honour awaits him on Saturday when he will be appointed by that group of athletes looking after the rugby union of Canada to give the first kick to the ball that will set the game in motion. I congratulate him on this outstanding honour.

I should like to congratulate the Secretary of State for External Affairs (Mr. Pearson) upon the great honour bestowed on him, and upon Canada, when he was chosen as president of the United Nations. We admire the minister's ability, his courtesy and his straightforward way in presenting facts. We also admire him for his personal life, clean and manly.

This brings me to something I thought I should have said last year. No one, Mr. Speaker, will accuse me of being a pious sissy, because there is no other man in the house who has had the opportunity of sobering up more intoxicated men than I have had. In fact, I once brought home the principal of a school to spend a week end. Our little girl came trotting in and out and then said, "I wonder why Dad brought that man home, he is not drunk." I will say this. It has been reported to me that before our men go into our international committee meetings they have three or four drinks of something better than ginger ale. I feel that this thing should be cleaned up. Our magistrate will fine a man if he is driving an automobile or a truck after consuming one or two beers. Compare the driving of a truck with driving the machinery of the nation.

It is well known that when some men take three or four drinks they become very happy. They will agree with everything in order to have a good time. Other men who drink believe that they can fight their weight in wildcats. There are still other men who, when they have a few drinks, become temporarily very tragic. They will agree with no one. I do not wonder why the Russians do not agree with anything at the United Nations. If a man wants to drink, let him drink on his own time and at his own expense. Let him go into the committees with a clear brain, his trust in God, and let him do his duty in a way that will be a credit to the nation.

I have one other word of commendation for the Minister of Trade and Commerce. The cobalt bomb at London, Saskatoon and other places is doing marvellous work. At the lakehead not long ago there was a young lady who worked for the federal resources department. She was stricken with cancer, and just before she died she requested that a cobalt bomb should come to the lakehead. Through the generosity of someone I cannot name, we expect, before the year passes, that we shall have a cobalt bomb at the lakehead.

I thank you, Mr. Speaker, for having been so patient with me and not calling me to order. I feel it a great honour to represent Fort William, which we think is progressive and clean, and one of the finest cities in Canada.

(Translation):

Mr. Henri Courtemanche (Labelle): Mr. Speaker, may I, at the very beginning of my remarks, pay tribute to the memory of one who shed such lustre on politics in French Canada and who represented the constituency of Labelle in this house for a very great number of years. I refer to Henri Bourassa.

Naturally I was not privileged, as were some of those who sit here tonight, to witness the political struggle he led in the federal as well as in the provincial fields. Nevertheless I have the very great honour of being one of his successors as a representative of the constituency of Labelle in the House of Commons.

I take pride moreover in the fact that, in the last few years of his life, he was so kind as to honour me with his friendship; I was so fortunate as to receive from him, not only some discreet advice, but words of kindness and encouragement which I shall never forget.

A long time before his death, Mr. Henri Bourassa belonged to history. He was a great speaker, an outstanding scholar as well as an exemplary Christian and sincere patriot. I do not intend to give an account of his career at this time. On his death, the newspapers recalled the memorable events of his extremely fruitful life.

Mr. Henri Bourassa did have adversaries and even today one may question many of the stands he took. However, in my opinion, he was above all an awakener, and even now the mere fact of recalling his memory sometimes re-awakens a patriotism which tends to slumber. He was an awakener for the French-Canadians and also for all Canadians without any hyphen. Many were those who did not understand him, who thought he was a mere anti-imperialist and anti-conscriptionist. They judged him too fast and it was comforting indeed, the very day after his death, to see two of the most important newspapers in this country, the Winnipeg *Free Press* and the Windsor *Daily Star*, following the example of many others, do justice to his memory in these terms:

His speeches against the sending of Canadian troops to the Boer war were regarded as infamous by many Canadians, and even now he has a black mark from many historians. Yet, read now, years after the fire has cooled, these utterances do not sound so mischievous or narrowly isolationist. In fact, they bear a very close resemblance, in spirit, if not in tone, to what Liberals like John Morley and Lloyd George were saying at the time about the unjust and unnecessary Boer war.

The Windsor *Daily Star* of September 3, 1952, wrote as follows:

Mr. Henri Bourassa . . . may be only a name to the younger generation of Canadians. Yet the constitutional situation under which we live owes much to his influence. Mr. Bourassa fought ardently, forgoing prospects of power and position, for what most Canadians now accept as natural and normal . . .

. . . Mr. Bourassa was an anti-imperialist. But his anti-imperialism wasn't so much anti-British as pro-Canadian. And most every Canadian today would be opposed to the imperialism of another era against which Mr. Bourassa railed.

Mr. Bourassa's voice has been still in recent years, perhaps partially due to advancing years. Primarily, however, it was because the fight was won. Most of his constitutional ambitions, except, perhaps, a distinctive national flag and national anthem, have been realized.

Indeed, was it not he who, speaking before the Canadian Club of Toronto, said:

There is a patriotism for Ontario, a patriotism for Quebec and a patriotism for western Canada, each of them based on the hope that they may be able to engulf the others, but there is no Canadian patriotism, and there can be no Canadian nation as long as there is no Canadian patriotism.

These words were uttered forty-five years ago. True, they may not be as topical today as they were then, but they remain, nevertheless, those of a real Canadian. They constitute an eloquent plea for properly conceived national unity.

For almost twenty years within the period stretching between 1896 and 1935, Mr. Henri Bourassa sat for the constituency of Labelle in the House of Commons. He has never had and indeed never will have a really worthy successor. Nevertheless, I knelt upon his grave and pledged myself to respect the memory of this great Canadian by attempting to profit from the lessons of dignity, courage, sincerity and patriotism which he taught this whole country.

I have already expressed my personal sympathy to the bereaved but I should like to repeat it publicly in this house, where the memory of this great figure will long endure.

The future editions of the Canada Year Book will no doubt include a chapter entitled "History and Chronology", and among the events of 1952, there will be a note mentioning that it was on September 6 of that year that television made its debut in Canada on the occasion of the opening, in Montreal, of station CBFT.

I admit that September 6 will remain a memorable date in our history; however, it is a very sad one indeed, when we recall what happened on that day. We were glad that at last television had come to our homes, and we were able to enjoy every day different programs without having to bestir ourselves. But, while enjoying this pleasure, we could not but think that the government had just created a new state monopoly; that it had just strengthened bureaucracy by striking a terrible blow to free initiative and enterprise in Canada.

The Canadian Broadcasting Corporation has indeed the monopoly in the field of television. That organization—which is a corporation of socialistic inspiration, in the words of the hon. member for Outremont-St. Jean (Mr. Bourque)—already reigns supreme in the field of radio broadcasting but, as far as television is concerned, it is still worse. We have here a perfect state monopoly, a state monopoly of the most dangerous kind, which is incompatible with our democratic system.

In the case of radio, a control is imposed, a control which is unjust and iniquitous, but which remains only a control, whereas, with television, we have nothing short of state management. For the time being, at least, there is no question of control of television, but only of state television. We believe that

in permitting the creation of such a trust the federal government has taken another step, a giant step this time, on the road to socialism. The Liberals, socialists who are not quite in such a great hurry as our C.C.F. friends, are getting to be just as much in a hurry as the C.C.F. Unfortunately, this haste is not confined only to the field of broadcasting and television; however, I shall only speak, today, of this one question, which is sufficient to show that the path followed at present by the Liberals is fraught with many dangers.

One cannot raise the question of television in Canada without including broadcasting, and this for two reasons. First, television is a technical improvement on broadcasting and secondly, as I said a few moments ago, in our country the body which controls broadcasting also reigns supreme over television.

Strange as it may seem to some people, in Canada we enjoyed radio programs even before the radio broadcasting corporation was born. Indeed, even if today control of production and distribution is too often in the hands of bureaucracy, the fact remains that prior to the creation of the numerous bodies set up by the government there existed many splendid and valuable things which we owed to free enterprise.

As far back as in 1919, we had radio stations in Canada. A few days ago, station CKAC, one of the most important in this country, celebrated the thirtieth anniversary of its foundation. This pioneer broadcasting station, after humble beginnings, soon progressed and developed.

Without asking the smallest fee from its audience and of course without deriving any of its revenues from taxes, but relying only on its own merits to produce revenues and balance its budget, station CKAC became a prosperous venture which gained public support, and I mean by that the support of both the élite and the common people. Station CKAC, like all other private radio stations, has had to withstand the unfair and unjust competition as well as the undue control of the C.B.C., but with the support of the public, it has overcome all obstacles.

Its history is somewhat the same as that of all private radio stations, the history of the triumph of individual efficiency over state inefficiency.

Radio was therefore established in Canada before the government decided to interfere with it. In 1929, a royal commission under the direction of Sir John Aird made an investigation into the field of radio and recommended nothing less than the socialization of radio broadcasting. At that time 62 private stations were already operating in Canada. A wave of strong protests swept the country and the government did not dare carry out the recommendations of the Aird commission. Three years later, though, parliament, basing itself, at least in part, on the Aird report, established the Canadian radio broadcasting commission and gave it regulating and controlling powers over radio broadcasting in Canada. Had we gone no further than to create that commission, it is likely that we would not have to complain today of state dictatorship over radio broadcasting. However, in 1936, the Canadian Broadcasting Corporation was established and given much wider powers than its predecessor, the Canadian radio broadcasting commission.

Let us say in the first place that there is nothing more erroneous, more dangerous nor more iniquitous than the way radio broadcasting is controlled by the C.B.C. There is no appeal from C.B.C. control, which means the exercise of a right of life or death over all stations. One perhaps could bear with that, were it not that the C.B.C. is itself engaged in broadcasting and operates a radio network which competes unfairly and intolerably with private stations.

The C.B.C. is not only the prosecutor, it is also the judge. The board of transport commissioners controls the railroads of the country, but operates none. The C.B.C. controls radio broadcasting and also owns broadcasting stations. If that is not socialism, I wonder what it is.

The C.B.C. can impose its own programs on private stations. Private stations are compelled to pay costly licence fees to the C.B.C. for each of their transmitters and the C.B.C. uses those revenues to build stations of its own that will compete with private enterprise. The C.B.C. does not have to worry about its finances: it can always dig into the federal coffers filled by the taxes we pay. The C.B.C. compels every owner of a receiving set to pay a licence fee of $2.50, whether or not he listens to C.B.C. programs. The whole of that amount goes to the C.B.C., the expenses entailed by the sale of licences being paid by the taxpayers. The C.B.C. controls every word that is broadcast over its stations. Anyone wanting to be heard throughout the country must necessarily go to the C.B.C. The C.B.C. is in a position to attract the largest advertisers, those who pay best since it is able to cut prices, not having to worry about deficits and being alone empowered to co-ordinate the broadcasting of programs over one or several networks.

Of course, the C.B.C. at the outset was to be satisfied with limited income from advertising.

In 1938, the Minister of Transport made the following statement in the house:

It is not the desire or intention of the corporation at any time to obtain a revenue of over $500,000 from commercial sources for reasons that are obvious.

But the nationalized broadcasting system has become more voracious. It is no more a lamb peacefully cropping the grass. It is a lion always claiming the biggest share, and even going so far as to claim everything.

I find in *Relations* of July 1947, at page 195, the following excerpt:

The C.B.C. has an increasing appetite, and this is threatening to overshadow its actual services for more widespread broadcasting and better quality radio programs. The private broadcasting organizations are, in this country, a safeguard for free speech. Public opinion must not spare them its support, even if it has to reprimand them severely, when they don't measure up to their standards and shirk their responsibilities. Public opinion must in particular assert its desire to see implemented in facts the recommendations contained in their brief.

The reference is to a brief submitted by the Canadian Association of Broadcasters, which was neither the first nor the last of its kind.

Therefore, in 1938, it was agreed that the C.B.C. would limit itself to a revenue of $500,000 derived from commercial advertising and other sources.

In 1940, two short years later, the limit had already been exceeded by $273,521.89; that is to say that the C.B.C. had derived $773,521.89 from commercial advertising. In 1945, they reached $1,639,159.97, or more than three times the amount set as a maximum. At the end of March 1948, the amount had climbed to $1,842,558.29, and at the end of March 1949, it had reached $2,217,129.91. According to the last report submitted by the C.B.C., for the period from April 1, 1951 to March 31, 1952, revenues under "Commercial Broadcasting" amounted to $2,456,431.92. In other words, we are far from the half-million limit suggested at first and we are getting further away from it every day, just as we are getting further away from the original good will of the Canadian Broadcasting Corporation, as the grievances voiced by the private stations seem to suggest. The C.B.C. is continuously increasing its dictatorship through a type of competition more unfair and a type of control more unjust than ever before.

It is therefore easy to imagine the spirit in which the C.B.C. received, in 1948, the first requests for the establishment of private television broadcasting stations. It was then evident that federal bureaucracy, that had not yet succeeded in nationalizing fully and completely radio broadcasting, was determined to set up a state monopoly in the field of television.

It was then learned that the C.B.C. would not permit private enterprise to establish television stations until it had done so itself and that it would then think about the matter. Several years ago, many private radio stations were ready to enter the field of television without asking one cent from Canadian taxpayers. But the C.B.C. flatly refused to let them do so. That is why we are enjoying television several years after our neighbours of the United States.

The royal commission on national development in the arts, letters and sciences which proved to be so useful to the Liberals in allowing them to launch a new drive for centralization and commit further encroachments upon provincial autonomy has equally served to promote the establishment of a state monopoly or government dictatorship in the field of television.

At page 300 of their report they say:

We think the same principles of national control —those applying to radio broadcasting—should be applied to television broadcasting . . .

The commissioners make, among others, the following recommendations which may be found at page 303:

(a) That direction and control of television broadcasting in Canada continue to be vested in the Canadian Broadcasting Corporation.

(b) That the Canadian Broadcasting Corporation proceed with plans for the production of television programs in French and English and for national coverage by kinescope recordings or by any other practical means.

(c) That no private television broadcasting stations be licensed until the Canadian Broadcasting Corporation has available national television programs and that all private stations be required to serve as outlets for national programs.

Mr. Speaker, I claim that the government, even if it is to give us a so-called national television network, has no right to establish in the field of television such a monopoly as that enjoyed by the Canadian Broadcasting Corporation. It is in the name of culture that efforts are now being made to change the various provinces into mere branches of the central power and it is in the name of patriotism that success is attained in creating a vicious state monopoly.

I pride myself on being as good a Canadian as any member of the Canadian Broadcasting Corporation and I take the liberty of saying that I am much more afraid of the atheistic propaganda of some of the lecturers who have been invited to speak over the network of the C.B.C. than of that so-called Americanism, against which, with all due deference to them, private television station owners would have protected us at least as well as the directors of the C.B.C.

Are they going to tell us now that patriotism is the exclusive possession of our higher bureaucracy? We take the liberty of thinking otherwise.

What is highly amusing to us is to hear members of the Massey commission, as well as a great number of our leaders, by the way, speaking of the necessity of keeping the C.B.C. free from political interference. Let us take a stroll through the studios of our official broadcasting service. Is it by mere accident that we never meet there with people whose anti-Liberal opinions are well-known, that we often find instead more or less official propaganda agents for Liberal policies?

Now, mind you, that is not particularly shocking. What is particularly galling to me is the fact that the directors of the C.B.C., however competent and honest they may be, are allowed to spend millions of dollars from the public treasury, millions put up by the taxpayers whose representatives are nevertheless deprived of an opportunity of exercising necessary measures of control.

Television will cost us millions of dollars taken from the small wage earner's pay envelope or even from the farmer. And yet private enterprise could have given us television more cheaply; you know that.

In the name of national culture, we prefer to establish a state monopoly, regardless of the price to be paid.

What is the use talking about freedom of information, if television—which is a medium of information—is controlled by the government or, which is worse still, by a government body.

Freedom of the press must not apply only to printed newspapers but also to the talking press, the televised press. Soon the problem of facsimile will arise; facsimile is a printed newspaper transmitted through the medium of improved radio devices. Will the C.B.C. authorize such transmission? Will the contents be censored? I am afraid that is the least worry of our state radio, for it knows it is always right and that we shall always bow to any of its decisions, however iniquitous and anti-democratic.

Television involves censorship, that is the intervention of the provinces to approve of or condemn the films or other shows shown on television screens. Would it be logical for a picture which has been banned on our cinema screens to be shown in our own homes? One may answer that the Canadian Broadcasting Corporation watches over the moral aspect of its broadcasts, that it will see to it that no television broadcast offends our children or our adult population. These assurances are worthless, as evidenced by the past conduct of the Canadian Broadcasting Corporation. Even if such assurances were to be taken seriously, the fact remains that under our constitution the censorship of films and shows rests with the province and not with the federal government or some federal organization.

The monopoly of the Canadian Broadcasting Corporation in the field of television is not going to promote the development of television in this country. Nothing compares with competition as an incentive.

At its beginning, broadcasting in Canada greatly benefited from competition. The C.B.C. disposes of many millions, but it needs the incentive of competition, even of rivalry, in order to function with sufficient enthusiasm.

Let us suppose that Canada had today private television stations, controlled by some unbiased organization, which would not interfere with the running of television stations; if such were the case, not only would television progress more swiftly, but our artists would not be limited to the C.B.C. alone. Through our government's fault, Canadian musicians and actors have lost thousands and thousands of dollars, which they might otherwise have drawn from private television stations.

Last July, the Winnipeg *Free Press* published a series of articles which had to do with the recommendations of the Massey commission concerning radio and television. Those articles have been translated into French and published in pamphlet form. I shall now quote an excerpt from page 23:

"By its very nature, television makes you think immediately of another means to reach, to inform

and to convince the public. The cost of "direct" television programs may induce operators—when and if there are any, of course—to make use of films most of the time. A link is thus immediately established between television and the national film board, a government institution. It is logical to believe that the national film board will supply most of the films shown to Canadians on C.B.C. television stations. It is expected that these bodies will be prompted by the best of intentions and will succeed in reaching an excellent standard of production. This, however, will only increase the possibilities of propaganda and strengthen the party in power.

"As soon as a government becomes active in the field of communications, it can remain in power indefinitely," warns Mr. Zechariah Chafee Jr., in his book "Governments and publicly owned communications". He goes on to say:

"Zealous administrators will always invent new ways to improve the press according to their own ideals".

Here, we must take the word "press" in its widest new meaning as it is used in the Hutchins report which we have quoted above; then the possibilities become alarming.

Neither do I hesitate to accept the conclusions of Basil Dean, whose texts published in the Calgary *Herald* have also been translated into French and published in pamphlet form under the title "Freedom of the airwaves". In so far as television is concerned, his conclusions are as follows:

Television in Canada, he writes, will have to be submitted to some sort of control—of course—but not to that of the C.B.C. It should be the same kind of control that is asked for radio—a purely technical control. That control should be exercised by an independent commission, similar to the board of transport commissioners; that commission should assign the radio frequencies and television wave-lengths. That is, after all, the only formal control that should exist.

"Public control must not mean state monopoly over radio and T.V. Canadians must be prudent, cautious, alert in the face of American influence but not to the point of agreeing to rigid state control as a remedy."

We read on the first pages of the report of the Massey commission a sort of dedication, in the form of a sentence quoted from St. Augustine's "The City of God":

A nation is an association of reasonable beings united in a peaceful sharing of the things they cherish; therefore, to determine the quality of a nation, you must consider what those things are.

Our people are fond of liberty. They ask that the fundamental principles of democracy be respected and they oppose all forms of totalitarianism or socialism or state monopoly, even for the sake of culture.

(Text):

Mr. J. W. Noseworthy (York South): Mr. Speaker, I rise to support the amendment to

[Mr. Courtemanche.]

the amendment moved by our leader, the hon. member for Rosetown-Biggar (Mr. Coldwell). This amendment is to be found on page 54 of *Hansard* of November 24, and reads:

We regret further that Your Excellency's advisers have failed:

(a) To recommend legislation establishing a nation-wide health insurance program, with provision for provincial administration;

(b) To implement their proposals to the dominion-provincial conference of 1945.

I should like to call attention to the fact that that amendment to the amendment is exactly the same as the amendment which this group moved under similar circumstances on March 6, 1952, and which is recorded on page 181 of *Hansard* for that date. That amendment reads:

This house further regrets that Your Excellency's advisers have failed to recommend the inauguration of a national health insurance program, with provision for provincial participation.

The only variation of the two amendments is to be found in the last two words. In this year's amendment the words "provincial administration" have been substituted for the words "provincial participation". I call attention to the similarity or the identity of these two amendments because, as recorded on pages 196 and 197 of *Hansard* of March 6, 1952, both the Conservatives and the Social Crediters voted for the amendment moved that year. I am sure that the substitution of the words "provincial administration" for the words "provincial participation" is not important enough to warrant the change which quite apparently has occurred this year in the attitude toward this amendment of both the Progressive Conservatives and the Social Crediters.

From the speech of the Leader of the Opposition (Mr. Drew) and of the leader of the Social Credit group (Mr. Low) it becomes quite evident that they cannot support this amendment to the amendment as they did last year. One is forced to look for a reason and I think he is justified in asking whether the fact that we are one year nearer to a general election has any bearing on the changed attitude toward this amendment of the Progressive Conservatives and Social Crediters. Possibly on some future occasion they will inform us why they have changed their attitude toward the inauguration of a national health program.

An hon. Member: They have not.

Mr. Noseworthy: It becomes clear from the speech of the leader of the official opposition and the speech of the leader of the Social Credit party that today the C.C.F. is the only party in this house which is prepared at this

session to support legislation for the inauguration of a national health insurance program. The position of the Liberal party is made quite clear in the speech from the throne which is recorded on page 2 of *Hansard* of November 20.

The paragraph beginning—

> Much has been accomplished since the inauguration in 1945 of the five-year national health grants program . . .

—contains the gist of the government's policy regarding a national health insurance program. It is quite clear from that paragraph that the government proposes to do nothing more than continue the expansion of the work of the health grants program which was instituted in 1948; and that there is no intention, certainly no intention this session, of inaugurating a national health program.

The Conservative position was made quite clear by the speech of the leader and by the substance of their amendment, which amendment is found on page 33 of *Hansard* for November 24, 1952. The fourth paragraph of that amendment would add to the address the following words:

> We regret that Your Excellency's advisers have failed:
>
> (d) To conduct inquiries in consultation with the provincial governments, so that necessary information may be available for the dominion and provincial governments to consider jointly a national health insurance program;

There it is quite clear that all the Conservatives will support this session, as far as a national health program is concerned, is just another investigation, just another report; and my purpose in having these reports brought here this afternoon was that they might be of benefit to the leader of the official opposition. I presume that he probably is not fully aware of all the reports and of all the studies that have been made on this subject in recent years.

I have here on my desk no fewer than thirty reports and all of them with two exceptions have been made since 1945. I have here seven of those reports made by the research division of the Department of National Health and Welfare. There was a report in 1949 and another in 1950. The one in 1949 was a survey of physicians in Canada. In 1949 and 1950 there was a national health program study. In 1949 there was a survey of dentists in Canada. In 1950 there was a study of health insurance in New Zealand; in the same year a study of health insurance in Denmark; in 1950 a study of health insurance in Sweden; and in 1952 another study of health insurance in Denmark.

The Leader of the Opposition (Mr. Drew) emphasizes the fact that there has not been sufficient study in conjunction with the provincial governments. I have here no fewer than six reports or studies made by the provincial governments, and in addition to those there are three others, copies of which I have been unable to secure in our library. In 1949 there was a report on a survey of hospitals in Nova Scotia. In the same year there was a report on a survey of health facilities in Nova Scotia; in 1950 again, a survey of nursing facilities and nursing education needs in Nova Scotia; in 1950 a survey of Alberta's health by that provincial government. In 1951 the province of New Brunswick made a health survey. In 1951 the province of Ontario made a health survey in three volumes. In the same year Saskatchewan made a health survey report, and in 1952 a survey of hospitals, surgery, and a master plan. In 1952 Prince Edward Island made a health survey report. British Columbia, Manitoba and Quebec, along with these other provinces, have all within the last few years made surveys of the health facilities available and of the needs. Those studies have encompassed practically every possible field. They have gone into almost every possible angle of this whole question.

Then there were a series of reports presented to the House of Commons committee: a report in 1943 on social security for Canada prepared by Dr. Marsh; in the same year a health insurance report known as the Heagerty report, a voluminous book which I think runs to nearly 600 pages. In 1944 there was a report of the minutes and proceedings of evidence of the special committee on social security, together with its report to the house and a draft health insurance bill.

Then there were reports prepared for the commission on dominion-provincial relations which was appointed back in 1937, and a report in 1939 on public health. There are the recommendations of the Rowell-Sirois report in 1940. In addition I have a number of reports, six reports actually, that were submissions to the dominion-provincial conference, compiled in 1945 and 1946. There were proposals of the government of Canada to the dominion-provincial conference on reconstruction. There is a report entitled "Health, Welfare and Labour", a reference book for the dominion-provincial conference on reconstruction. There is another entitled "Dominion-Provincial Submissions at the Conference on Reconstruction". In 1945 there was a dominion-provincial co-operative arrangement, a reference for the dominion-provincial conference on reconstruction. In 1946 there was another reference book called "A Health Reference Book". In 1945 there was a report of the national health survey conducted by

the Canadian medical procurement and assignment board. There were also others. There was a report by a committee of the House of Commons in 1928 and a report by the Alberta government's commission on health and medical services in 1929 and again in 1934. There is the British Columbia royal commission on state health insurance and maternity benefits back in 1932. There is one, the date of which I do not have, which is known as the Quebec social insurance commission report.

Now, in the face of nearly forty studies and reports which have been made on this subject, for the most part since 1945, the Leader of the Opposition tells us that his party is not prepared to support action for the inauguration of a health insurance program this session until we get some more reports. If I know anything, Mr. Speaker, of the attitude of the people of this country, what they want from this parliament at this session is not another report; what they want is action which will bring them a health insurance program that will enable them to call in a doctor when he is needed, without having to wait until a disease has run its course and they are forced to do so. The people of Canada want to be able to call in a doctor to prevent the disease from running its course, and to be able to call him without having to bankrupt themselves and their families. Today the people of Canada want the parties in this parliament to support the government in a national health program that will give the people in Canada what the Liberal party has been promising them since 1919.

The Social Crediters also want delay. They are not prepared to take action at this session, according to their leader's speech as recorded on page 56 of *Hansard* for November 24, 1952. He states:

> The Social Credit kind of national health program would ensure that sufficient doctors, dentists, nurses, technicians, clinics and hospital beds would be made available first to take on the work as the scheme is extended.

That is the argument, of course, the Liberals have been using since 1945; that is the excuse which they have given for not bringing in a national health insurance program. Countries which have introduced a national health insurance program have not waited until there were enough hospital beds, enough doctors, enough nurses and enough clinics to meet the needs of the people. They have seen the need, and they have set out to meet it. They have built their hospitals and provided their doctors, nurses and clinics as the need arose.

The government of Saskatchewan did not wait until they had enough hospital beds to accommodate all the sick of Saskatchewan.

The government of Great Britain did not wait until they had enough hospitals and hospital beds to accommodate all the sick of those islands before they instituted their national health insurance plan. Much as the leader of the opposition may deride national health insurance in Great Britain because it was introduced by a socialist government, the party in power today, which is similar to his own Conservative party, would not dare to withdraw those services from the people. As a matter of fact the Liberal party could introduce into their next election program no better plank, or one that would have more support across Canada, than that of national health insurance. The only drawback is that if they expect the people of Canada to believe them, to have faith in their promise, some definite action must be taken to show that they really mean business. If they simply give a promise at election time, as was done in 1945 and other years, that after the election such a program will be introduced, that will not be good enough.

Both the Social Crediters and the Conservatives were much concerned about the loss of freedom that may come about with the inauguration of a national health insurance program. Both the leaders dwelt at some length on that phase of the question. I want to ask, with whose freedom do they fear interference? Of what freedoms will the people of Canada be deprived by the introduction of such a scheme? We have made it quite clear, I am sure, that any national health insurance scheme introduced would leave both doctors and patients free in their choice. There would be no compulsion on a doctor to serve a patient against his wish, and no compulsion on a patient to choose a doctor against his wish. We have made it quite clear that we support such a policy; and I am sure the Liberals, if they introduced any policy of national health insurance, would inaugurate a policy that would safeguard those freedoms.

You know the freedoms we enjoy under our present medical system? Forty-one babies out of every thousand who were born in Canada in 1950 had the freedom to die because there was no national health insurance program to help save their lives. Those countries which, under socialist governments, have brought in socialized medicine stand away ahead of Canada in the matter of infant mortality rates. In 1950 the Canadian infant mortality rate was 41 deaths per thousand babies; Sweden, 20, or less than half; New Zealand, 23; Australia, 24; Netherlands, 25; United States, 29; United Kingdom, 31; Denmark, 31; Canada, 41. Seven of those countries which have a low infant mortality rate have national health insurance policies.

Australia has a hospital plan which also supplies drugs. The United States spends far more per capita on health, preventive and curative, than do we in Canada. It is time that Canada moved forward and came in step with the other progressive countries that have introduced legislation of this kind, instead of taking eighth place among the progressive and free nations of the world in this matter.

Without seeking in any way to minimize the good work which has been done by the national health grants program inaugurated in 1948, I want to call the attention of the Liberals to the fact that the introduction of that program in 1948 was intended to be the first stage in the development of a comprehensive health insurance plan. Those were the words of the then prime minister, Mr. King, when he introduced that measure into the house, as recorded in *Hansard* of May 14, 1948. Apparently the Liberals are still in the first stages. Just how long we are to remain in those first stages, no one can tell. Certainly from the throne speech it is clear that there is no intention on the part of the government to move on to a second or a third stage at this session. For a party that has been promising national health insurance for 33 years, I suppose a mere four-year period spent on its first stage or its preparatory stage cannot be considered long. According to the Liberals I take it that 33 years, if not a thousand, is but a day.

When the Minister of National Health and Welfare (Mr. Martin) was confronted with the question of introducing such legislation and with the fact that the Liberals had been promising health insurance for over 30 years, he had this to say, and I quote from page 3007 of *Hansard* for June 6, 1952:

> We have advocated health insurance in our platforms as an objective . . . But that does not mean to say that because a party has a plank in its platform, it has got to be done overnight.

Then at page 3009 the minister is reported to have said:

> You do not rush into a scheme of the immense proportions we have here without laying the foundation.

So there you have it. To the Minister of National Health and Welfare, 33 years is just overnight; a promise made 33 years ago cannot be put into effect overnight. That is a long, dark Liberal night and there is not any sign of dawn yet as far as this measure is concerned. The contrast between the minister's point of view last year and his point of view back in 1948, again just before an election, of course, is rather remarkable. In an interview which the minister gave to the Toronto *Daily Star*, as reported in that paper on March 9, 1948, he is reported as follows:

> I am hopeful that a national health scheme for Canadians will be announced sooner than most people anticipate.

That was in 1948. That was on the eve of another federal election, of course. The newspaper report continues:

> "The scheme will be fundamentally the same as was presented at the dominion-provincial conference in 1945," he added. Cost if all provinces adopt it will be $250,000,000, of which the dominion will pay 60 per cent or $150,000,000. The balance would be met from payments by provincial governments and individuals participating.

Then later on in the interview he went on as follows:

> "The dominion government," he continued, "will be prepared to conclude agreements on the health scheme with provinces independent of any other dominion-provincial financial arrangements." This means that despite the failure of Ontario and Quebec to complete over-all agreements with Ottawa since the 1945 conference, neither province would be barred from making a health plan deal if they so desired.

And still later:

> Administration of the health plan would be entirely in the hands of provinces. "There would be no attempt at centralization, as local problems and conditions vary across the country."

A later significant statement of the minister was this:

> "I believe," Mr. Martin stated, "that contributory social service measures is one of the effective answers to communism."

That was the minister's point of view in 1948. I presume his point of view is expressed in the throne speech this year in the paragraph which refers to national health insurance. There you have the Liberal policy: 29 years, from 1919 to 1948, just mulling over the idea of how they should lay the foundations for this great scheme and then four years, from 1948 to 1952, spent in laying foundations which, on their own admission, are not yet properly laid. The country must wait for that party to go on for a few more years laying those foundations.

The minister talked about rushing into such schemes in a hurry, and about not doing them overnight. As I pointed out, 33 years is a long night; and in the speech from the throne there is nothing to give any indication that the dawn is about to break. A whole generation of Canadians have died during those 33 years without benefit of a national health insurance scheme while the Liberal party or the Liberal government has been dilly-dallying with the idea.

I want to take a little bit of time, Mr. Speaker, to briefly review the nature of that dilly-dallying and to point out what has happened in the meantime. Britain adopted a

national insurance act away back in 1911, and it provided coverage for all employed persons aged 16 to 65, except non-manual workers whose income exceeded £160. By the time of world war II some thirty or more countries in the world had provided for this need through social insurance methods.

In Canada, notwithstanding the 1919 promise, the government—that is the Liberal government—did not get around to any serious consideration of the idea until early in the 1940's. Then came some of the reports to which I have referred, namely the Rowell-Sirois report of 1940, the Marsh report of 1943, the House of Commons special committee on social security in 1944. As I have already shown, between 1919 and 1940 a great deal of study was given to the subject of health insurance in Canada by the provincial governments as well as by the federal government.

Since responsibility for health insurance rests upon the provinces, according to the British North America Act, the first active steps toward the implementation of any such scheme were taken by the provincial governments. In 1919 the province of British Columbia appointed a royal commission to investigate health insurance. Ten years later, in 1929, the government of that province appointed another royal commission. In 1936, when by the way the C.C.F. had emerged as a major threat to the old parties in that province, a health insurance act was passed. When other measures were found of keeping the C.C.F. out of office in that province, the act was dropped; it was not put into effect.

In Alberta, committee reports in 1928 and again in 1932 led to the passage of a health insurance bill in 1935 under the United Farmers' government of that province. That bill never became effective because the United Farmers' government lost out to the Social Credit party in that year.

Legislation was introduced in the province of Saskatchewan in 1919 and in the province of Manitoba in 1920, which introduced a municipal doctors' plan. Out of that record I think two facts emerge. The first is that it was in the western provinces where the C.C.F. had become a major threat to the old parties, or where the radical parties which federated to become the C.C.F. were becoming a threat, that provincial governments gave serious legislative consideration to the question of provincial health insurance. No such interest was shown by provincial governments in eastern Canada where the C.C.F. was not a threat in those early years.

The second fact which emerges, I think, is that while those measures may have been dropped in part because the governments concerned did not really believe in socialized health services, a contributing factor to their being dropped was the fact that the federal government did not indicate to the provinces what portion of the costs it was prepared to pay. Even after the 1945 conferences, the 1945 reports, the government has never gone to the provinces with a concrete proposal for the introduction of a national health insurance scheme.

What happened in the federal field? The Liberal party came into power in 1921. Health insurance remained where it started, buried in an omnibus resolution adopted by the national Liberal convention of 1919. Not until 1928 did the Liberal government take the most preliminary of all preliminary steps, namely the setting up of a parliamentary committee.

On May 1, 1929 the second report of this committee recommended that the department of pensions and national health be requested to initiate a comprehensive survey of the field of public health with special reference to a national health program. Three years later, in May, 1932, the dominion council of health was still urging the government to do something about that 1929 recommendation. Health insurance became a matter of some serious consideration to the Liberal government during world war II.

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

Mr. J. L. MacDougall (Vancouver-Burrard): Mr. Speaker, I rise at this time with a great deal of pride and admiration to speak on the address in reply to the speech from the throne. I wish to state at the commencement that I am not going to congratulate the mover (Mr. Deslieres) and the seconder (Mr. Schneider). One reason for that is this. Approximately two years ago, although no signed documents were released, it was more or less universally agreed by the house that when the Leader of the Opposition (Mr. Drew), the leader of the C.C.F. (Mr. Coldwell), and the leader of the Social Credit party (Mr. Low) had done that job, sufficient compliments had been paid. With respect to that I hold that I am justified when I make no reference whatsoever to anything other than the good work that was done by these men in moving and seconding the address. It is an anachronism that I believe we can very well do without. I think that is agreeable to hon. members.

First of all, since I come from British Columbia, I must of necessity, for the record and because of a sense of duty, congratulate the government on the appointment of their

two new ministers, namely the Minister of Fisheries (Mr. Sinclair) and the Associate Minister of National Defence (Mr. Campney). These two dashing cavaliers from the west have earned their spurs in parliament, and I am quite sure that all hon. members will have the same opinion of them a year from now as they hold at the present time. If I may express my view, I believe they will prove to be two of the ablest men in the cabinet of the Dominion of Canada.

Further, I should like to say that it has been customary in royal circles when a king is dead to sing "Long live the King".

An hon. Member: The Queen.

Mr. MacDougall: Or the Queen for that matter, because there is a continuity there that is never broken. In British Columbia we have a king of the Liberal party in the person of the former Minister of Fisheries. But strangely enough we have now two kings in the Liberal party in the persons of the two gentlemen whom I have just congratulated, but the old king is not dead. The old king has now become Canada's ambassador to Japan. In that regard, I believe I should also pay tribute to the government for their selection, because Mr. Mayhew, or His Excellency I suppose is the better term to use now, will, in my opinion and in the opinion of a great number of people across Canada, do a magnificent job in his official capacity in Japan. In this connection there is a subject with which I have dealt many times in parliament. It will be noticed that the government did not select someone 28 to 30 years of age to go to Japan, but rather a man of 70 or 71 years. They recognized his ability, his experience and his good common sense as the requirements which would be sufficient to permit him to do a job for the people of Canada. I am sure Canadians, and the government by which he was appointed, will recognize in him an outstanding man capable of performing a first-class job.

I wish now to make special reference to the matter of age. There are in Canada thousands upon thousands of people who cannot be recognized by the government because they have reached the age of 45 years. Surely a man should not be considered to have reached the end of his real earning capacity when he has reached the age of 45. Under our present civil service system, however, he is debarred from serving in this capacity. That is something I suggest the government should consider seriously, with a view to making an appropriate amendment. Now that we are in an age of terrific scientific development I see no reason why those connected with government cannot find a way whereby they can use men and women of 40 or 45 years who are experienced, who have settled down to manhood and womanhood, who are capable of doing a good job for the country, but who are debarred by what I consider is a silly set-up in the rules and regulations governing the civil service. In my opinion the sooner that wrong is rectified, in respect of these men and women, the better it will be for the people of Canada and for the service they receive from their civil servants; the better, too, will it be for the government that makes the necessary corrections.

I shall now discuss the main subjects I had in mind when considering this speech; and shall discuss, too, that which in my opinion is the real function this parliament must perform before its termination. May I now touch upon something which affects our national pride. I am sorry the Minister of National Health and Welfare (Mr. Martin) and the Minister of Veterans Affairs (Mr. Lapointe) are not in their seats. However, I see in his seat the parliamentary assistant to the Minister of Veterans Affairs (Mr. Mutch), and I hope he will take cognizance of the observations I am about to make.

In Canada, under the administration of the Department of Veterans Affairs, we have some of the finest hospitals to be found anywhere in the world. Also under government control we have some first-class sanatoria. The last time I was in Shaughnessy military hospital in Vancouver an amazing thing was drawn to my attention by one of the medical men in attendance. He said to me, "Jack, why do you not raise this question? I suggest that, next time you are in Shaughnessy hospital, you should turn to your right and to your left at the main entrance so you may see the plaques on each side of that entrance". Next time I went to Shaughnessy I took particular note of what was on those plaques. As I entered, I read on one side these words, "This hospital is approved by the American college of surgeons", while on the left side I read, "This hospital is approved by the American nursing association."

I realize that in the past there may have been some justification for the wording of those plaques in military hospitals of Canada, because inspection is a costly procedure. In addition, the royal college in Canada, of which individually and collectively we may be justly proud, is a younger organization than the American college across the border. It seems to me, however, that the time has now arrived when in our military hospitals,

and, for that matter, in our civilian hospitals, as well as in the various sanatoria across Canada, we ought to be able to put up plaques which would be superimposed on those now in place, which would say, "This hospital is approved by the royal college" and "This hospital is approved by the Canadian nurses association."

I would commend heartily any steps taken by the government to rectify a situation that in my opinion is somewhat debasing to the natural and hereditary patriotism of Canadians, whether born as such or by adoption.

I wish now to deal briefly with the Canadian National Railways. While I do not speak by way of criticism, if there are some who would so describe what I have to say, then I trust they will accept it as constructive criticism. The Canadian National Railways ticket office in Vancouver is on Granville street, the main street in the heart of the downtown business area. As one walks into that office he is confronted naturally by those members of the personnel of the Canadian National Railways who are constantly meeting the public and selling them transportation to various parts of Canada and the world. A little farther down, and behind the same desk or bar, if one wishes to use that word, is another group of people who have no interest in making sales to the public. In the Vancouver office these persons perform functions of accounting and bookkeeping. I recall vividly that approximately a year ago in that office some new personnel were taken on, among whom was a young lady who in my opinion was both charming and attractive, and who did an excellent job in making ticket sales to the public. Inside the counter, back a distance of three or four desks, is this group of people concerned primarily with accountancy and bookkeeping. What happens is that when the office becomes crowded, customers naturally hold the view that the employees working at the far end of the room should also serve at the counter. When they do not render this service, what is the result? I have seen dozens of people walk out of the office expressing disgust at the fact that the employees at the end of the room were not in their opinion doing a proper job.

Of course that is a completely wrong interpretation to put on the situation. I suggest to the government that it might be well to draw to the attention of the managers of Canadian National Railways the advisability of having some form of partition between those serving the public and those doing accountancy or other types of work. It is not a good thing for the morale of the travelling public to have them think for one minute that personnel of the Canadian National Railways are not doing their jobs when actually they are doing the work they are called upon to do. I should like to see the government do something about that.

On top of that, there are many people who walk out of the Canadian National Railways office in Vancouver in the belief that their business is not wanted. Then they go down to the Great Northern, which company thus obtains revenue which should go to the Canadian National or the Canadian Pacific.

As I sat here waiting on the leash for the hon. member for York South (Mr. Noseworthy) to complete his remarks I heard him outline what he considered was the prime responsibility of this parliament. I am not going to say that I disagree with him, but I do want to indicate what I think is the prime responsibility of this parliament. I should like to quote from page 192 of the "Report on Foreign Affairs" for the months of April, May and June, 1952. Referring to General Eisenhower, it states:

> The military situation which he had found when taking command had been fraught with danger:
>
> "Just beyond the iron curtain in eastern Europe lay 30 divisions with their supporting squadrons of aircraft. These were only a fraction of available Soviet strength . . . they were still deployed and poised as for war."
>
> The total forces east of the iron curtain amounted to some 60 divisions of the satellite countries and 175 Soviet line divisions, one-third of which were either mechanized or armoured, and an air force of 20,000 aircraft. They were faced in western Europe by less than 15 NATO divisions adequately trained and equipped for war, and fewer than 1,000 operational aircraft, many of which were of an obsolescent type.

I think it is a generally recognized fact that what people do not understand, they oppose. This brings me to my main point in the reference I wish to make to NATO. I am not going into the various phases of NATO because all members know them, but I read that excerpt from that report to show the potential danger to our umbrella of freedom in Canada and throughout the free world.

Of all the things that agitate the minds of the people I think taxation is the main one. No one likes to pay taxes; but if people are not aware that 36½ cents of every tax dollar is being spent for national defence and the provision of an umbrella of freedom, in my opinion it is the duty of this parliament to explain that fact in understandable language to the people from the Atlantic to the Pacific.

What is my suggestion as to the means of bringing about a greater understanding of that poignant fact? I suggest that leaders of all parties in this parliament, the Prime Minister (Mr. St. Laurent), the Leader of the

Opposition (Mr. Drew), the leader of the C.C.F. (Mr. Coldwell) and the leader of the Social Crediters (Mr. Low) get together and make a statement. I do not expect for one moment that they will agree on all details, but I expect and I believe the people of Canada feel that there should be a joint statement given as the voice of parliament with respect to NATO.

I am not suggesting that all the opposition leaders should agree with the government, but I do think there are fundamental facts in connection with the establishment of NATO upon which all parties and all leaders can agree. There is the question of paying for our national defence. If the leaders of the various parties in this house cannot make the necessary financial arrangements with their parties to cover the cost of a broadcast including a three or four minute statement by each I am quite prepared to pay, not with a rubber cheque but with a stamped cheque, whatever is required to permit the leaders of the various groups to make a statement of this kind to the Canadian people.

My friends, that to me is one of the prime necessities of the twenty-first parliament of Canada. In my opinion the sooner that is done the sooner the Canadian taxpayer will realize just exactly what is happening to 36 per cent of his taxation dollar. It would be foolish or even worse if I were to ask the leaders of the various groups in this house to agree on the best method of providing stability and striking power to the personnel of our army, navy and air force operating under NATO. They may disagree as to the *modus operandi*, but in the final analysis the goal is clear; and surely in three minutes they can indicate that they agree on the fundamentals. Then they can come to this house and disagree on how that objective is to be attained. There is no doubt, Mr. Speaker, that across the length and breadth of Canada the great mass of Canadian people do not understand what our expenditures on NATO are doing for them.

I had a rather unique experience just a day or two before I left Vancouver with respect to that particular thing. I was buying myself a new hat and as I was about to walk out the door, having procured the same, one of the boys in the hat store said to me: I hope, when you go back to Ottawa, you will try to high heaven to have our tax bills cut. I said: Well, now, how are you proposing that these tax bills should be cut without in some measure jeopardizing the Canadian people's umbrella of freedom? I told him that out of every $100 of taxes $36 went for national defence. He said: Well, what about national health insurance? I told him that was something the government and the members of parliament in all probability would discuss at the present session but I warned him: All right, suppose you do have national health insurance—and I said I could not give the exact amount that he was going to pay for a national health insurance scheme —in round and approximate figures in my opinion the cost would be in the neighbourhood of $600 to $700 million. I said: You are asking me to cut taxes in one breath and in the same breath or a subsequent one you are asking for an additional expenditure of approximately three-quarters of a billion dollars. I said that the two things just did not add up and I also said: Remember this. Even if tomorrow a national health program is inaugurated in the Dominion of Canada and if your umbrella of freedom is shot, Uncle Joe will not pay one iota of respect to the amount of money that you, the taxpayer of Canada, have paid in order to bring about national health insurance because, I said, he will simply take over on his own terms—and how.

Before I left the store this chap said: I am glad that you gave me that explanation. He said he had no idea that, despite the heavy taxation he had complained about, the situation with respect to our umbrella of freedom would be jeopardized if we did not spend that amount of money in order to keep us free in a free world, without being taken over by the countries of the iron curtain and their satellites.

Before I sit down I want to reiterate the very necessary service that can be rendered by all political parties in Canada if they will follow the suggestion I have made—that is to agree on the fundamental details, the basic principles of NATO, and speak for the parliament of Canada; not for the government; not for the C.C.F.; not for the Social Crediters; not for the Progressive Conservatives; not for the Liberals, but on behalf of the parliament of Canada. If we can get the people of Canada to understand our great expenditures in order to keep the umbrella of freedom high, keep it virile and keep it intact, then I say to you, sir, and to my fellow members, that we in this parliament whether or not we come back will have rendered the Canadian people a terrific service. Then they will understand something about what this umbrella of freedom means to them individually and collectively from the Atlantic to the Pacific oceans.

Mr. George H. Hees (Broadview): Mr. Speaker, I am very glad to see that the

Minister of Labour (Mr. Gregg) is in the house at the present time because I want to speak about a matter which concerns his department very much indeed. I want to deal with a great injustice which exists under the Unemployment Insurance Act and which I believe is long overdue for correction. I am referring to the refusal of the government to pay unemployment insurance which a man or woman has standing to his or her credit when that person becomes incapacitated and is unable to continue to work.

When a man or woman becomes incapacitated, the unemployment insurance credit he or she has built up is immediately cut off. In doing this the government ignores three important factors. First, the unemployment insurance credit which a man or woman has built up exists solely because of the contributions which have been made by that person and his or her employer. The government has made no contribution except to administer the act, and the unemployment insurance which that man or woman has built up belongs to them by right. Second, the unemployment insurance credit which the employer and employee have built up exists for the sole purpose of maintaining that employee if he or she is unable to find work. Third, there is no time when a man or woman needs the unemployment insurance credit they have built up quite so much as when physical disability prevents that person from working. Not only do they have to maintain themselves and their families, but they have to pay doctor and hospital bills as well.

Now, Mr. Speaker, I drew the attention of the government to this matter when speaking in this house on June 10 last, when I cited an experience of one of my constituents in dealing with the unemployment insurance commission. After building up an unemployment insurance credit of more than $900, this man lost his sight. His unemployment insurance credit was denied to him, and the unemployment insurance commission washed their hands of him completely. He notified me of this fact, and I was able to help him receive payments from his unemployment insurance credit. The payments continued for some time, but while he still had more than $500 standing to his credit, the payments were once again cut off. It appears now that this $500 credit is lost to him for all time.

Mr. Speaker, what I want to know is what is going to happen to that $500 credit? Is it going to be paid out to some other person who did not contribute toward it, or is it to be retained in the possession of the government, who also did not contribute toward it? Another thing I want to know is, who is more entitled to that $500 credit than the man who created it by making contributions extending over several years? These are questions which the government makes no attempt to answer because there are no answers.

Mr. Applewhaite: Because you are wrong.

Mr. Hees: Now, at the meeting where my constituent was told that his unemployment insurance credit was being cut off, it was suggested that he should not bother his member of parliament because he is a very busy man. This is the kind of matter, Mr. Speaker, that all constituents should immediately bring to the attention of their members of parliament. The bureaucrats, however, realizing the injustice of their decision, did not want their actions brought to the attention of someone who might be more interested in human need and justice than the workings of the bureaucratic system. They had disposed of this man's file, and that was all they were concerned with.

After bringing this matter to the minister's attention last June 10, I recommended that the government should introduce an amendment to the Unemployment Insurance Act to right this obvious wrong. The minister appeared interested in the suggestion, but six months have passed and there is no mention of any proposed change in the Unemployment Insurance Act in the speech from the throne. It is now clear, I believe, that the government has no intention of correcting this very obvious injustice.

On November 4, in the United States, a government was thrown out of office after twenty years because it had lost touch with the people, and after seventeen years in office this government is suffering from exactly the same disease. There is a callous disregard for the needs and aspirations of the ordinary people; appeals for fair play and justice are treated with contempt. The government's attitude is that of a government which believes it rules by divine right.

Although an appeal for justice for working people will probably again fall on deaf ears, nevertheless I am going to make it. I urge the government very strongly indeed to introduce an amendment to the Unemployment Insurance Act which will permit men and women to receive the unemployment insurance credits which they have built up, if a serious physical disability makes it impossible for them to continue earning their own living.

Mr. Gregg: May I be permitted to make a correction? I am sure my hon. friend would not want it to go uncorrected. He made the statement that the only government payment in respect to the unemployment insurance

fund was that of the administration cost. I would refer him to page 31 of the estimates for this current year which shows that, in addition to the administration costs, a total of $32 million will be payable towards such premiums this year by the dominion government.

Mr. Hees: I am grateful to the minister for his explanation, and I am glad to see he is interested. Does the minister believe that this relatively small contribution which the government does make—

An hon. Member: What is $32 million?

Mr. Hees: —justifies the government in not paying out, to a person who has contributed for a considerable time to the fund, the unemployment insurance credit he has built up, when physical incapacity makes it impossible for him to continue his work? Does the minister believe that is fair treatment of the working people of this country who contribute every day and every week to this unemployment insurance fund? Would he please answer that question?

Mr. Gregg: I do not think this is the time to answer questions. I was merely correcting a false premise to the hon. member's argument. I shall be glad to discuss the matter on my estimates.

Mr. Lesage: Will the hon. member permit a question? Would he ask his fire insurance company to pay his damages if he had a motor car accident?

Mr. Hees: That is the kind of ridiculous statement that you would expect. Any person who is fortunate enough to go through his working life and not be incapacitated is not, so far as I know, expecting to be paid his unemployment insurance. I am speaking of people who, during their working life, become incapacitated, like the man I am speaking about who is lying blind in his home today and who is being paid absolutely nothing out of the more than $500 which is in his unemployment insurance fund, built up by him and his employers.

An hon. Member: And the government.

Mr. Hees: Does the parliamentary assistant who asked the question feel that man is getting a square deal?

Mr. Lesage: If he is blind, he is getting the blind pension which is being paid out of the taxes paid by the Canadian people.

Mr. Hees: This man is not getting the blind pension.

Mr. Lesage: It is paid out of the taxes which I am paying for blind people, in spite of the fact I do not believe I shall become blind during my life.

Mr. Hees: This man is not receiving the blind pension.

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

Mr. Arsenault: Mr. Speaker, would you call it six o'clock?

Mr. Speaker: Does the house wish me to call it six o'clock?

Some hon. Members: Agreed.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Bona Arsenault (Bonaventure): Mr. Speaker, I first wish to extend my congratulations to the mover and the seconder of the address in reply to the speech from the throne, namely the hon. member for Brome-Missisquoi (Mr. Deslieres) and the hon. member for Waterloo North (Mr. Schneider). At the same time I wish to compliment our new colleagues, the hon. member for Outremont-St. Jean (Mr. Bourque) and the hon. member for Richelieu-Vercheres (Mr. Cardin). Their elections were well received and the majority which was given to them by their constituents is certainly significant.

Mr. Speaker, last fall parliament was in session, as we all recall too well, until December 29. Members of this house were then denied the privilege of being home with their families during the week between Christmas and the New Year. Others could not be home for either Christmas or the New Year, and for many it was a tragedy. We were compelled to remain here, day after day, sitting long hours, to witness the stubborn obstruction put up by the official opposition against a government measure to amend the Combines Investigation Act, legislation which was introduced in this house by the Minister of Justice (Mr. Garson) as a contribution towards the reduction of the high cost of living. Time has passed. Almost eleven months have elapsed since those high-blood-pressure days, and ever since facts have proved beyond any doubt that the government was right in bringing forward such a measure which has been a tangible and decisive contribution towards bringing down the cost of living in Canada.

Some hon. Members: Oh, oh.

Mr. Arsenault: I see that the hon. member for Eglinton (Mr. Fleming) is smiling.

Mr. Fleming: He is doing more than that. He is laughing.

Mr. Arsenault: The records of the last ten months show definitely that during those ten months the cost of living index has dropped eight times.

Mr. Fleming: Not on the things that are affected by that legislation.

Mr. Arsenault: For the month of January, 1952, the cost of living index stood at 191·5. It dropped down to 190·8 in February, to 189·1 in March, to 188·7 in April, to 186·7 in May. It went up a fraction of one point to 187·3 in June and then to 188 in July, again to follow the trend downward to 187·6 in August, down to 186·5 in September, down to 185 in October, or the lowest level since June, 1951, seventeen months ago. During that same period the cost of living was steadily climbing in the United States.

Mr. Fleming: Will my hon. friend permit a question?

Mr. Arsenault: Certainly.

Mr. Fleming: Does my hon. friend attribute the decrease in the cost of living to the passage of the government's legislation last December?

Mr. Arsenault: The hon. member for Eglinton will recall that on December 18, as reported at page 2160 of *Hansard,* he stated in this house as follows, and I quote from his own speech:

> . . . their proposal—
>
> That is the proposal of the government.
>
> —to bring in legislation to ban resale price maintenance, is an invitation to the Canadian people to submit themselves to being fooled and deluded into thinking this legislation is going to bring them a reduction in the cost of their living.

Mr. Fleming: And the Prime Minister (Mr. St. Laurent) agreed.

An hon. Member: The hon. member has to eat those words now.

Mr. Fleming: The Prime Minister said it would not affect the cost of living.

Mr. Arsenault: The members of the official opposition in this house—at least this is what I gathered—were then struggling to capture the imagination of the population of this country in a desperate move to raise the stock of the Conservative party in the public's mind.

An hon. Member: That cannot be done.

Mr. Graydon: What about the by-elections?

Mr. Arsenault: When one reads those lengthy and boring speeches delivered in this house about a year ago opposing the government legislation amending the Combines Investigation Act, which legislation was devised in an attempt to curb the high cost of living; and when today one analyses the benefits of that legislation and its influence in lowering the cost of living, one does not wonder why it is that the stock of the Progressive Conservative party, as shown by the Gallup poll reports published from time to time, has dropped even faster than has the cost of living index in this country.

Mr. Fleming: What about the by-elections? What about New Brunswick?

Mr. Arsenault: I should ask the hon. member for Richelieu-Vercheres and the hon. member for Outremont-St. Jean to reply to that question.

Mr. Fleming: Go back to the six by-elections last June. There were six of them last June.

An hon. Member: Brome-Missisquoi.

Mr. Lapointe: Wrong timing.

Mr. Arsenault: That is the sanction for displaying abusive political practices in useless efforts to try to undermine the confidence which the population of the whole of Canada had in 1949, has today and will undoubtedly have on the next election day, in the St. Laurent administration.

An hon. Member: Wishful thinking.

Mr. Arsenault: I left that party a long time ago. So much so, that when one looks today toward hon. members opposite, one is asking himself seriously which of the three political groups sitting in front of us will become the official opposition after the next general election. And we are not alone in such speculations. Quoting from an editorial in the *Evening Citizen* as recently as November 20, I read:

> There is not just one opposition party (as in the United States) striving to push the government out of power, but three, and no one of them has shown any sign of rising to a really dominant position over the others . . . The Liberals, on the other hand, have in Mr. St. Laurent a leader whose prestige stands high throughout the country. Especially is this true of his own province, and no Canadian political party can hope to win office without showing marked strength in Quebec.

As I have said before, a year ago we were in session, and the policy of the Conservative party then was to try and induce the population of Canada to believe that this government did not want to do anything about the high cost of living. It was their blunder. We now know the results. Today to try and pry up their stock they put emphasis on taxation. On the one hand they are struggling by all means at their disposal inside

and outside of this House of Commons to try and make the Canadian people believe this government is spending too much, while at the same time they themselves, the Conservatives, have voted most enthusiastically the huge amount of $3½ billion a year that we are spending for our national security, for the social security of our people and for the carrying charges on our national debt.

Second, only in recent months—as was said by the Prime Minister (Mr. St. Laurent) in this house yesterday—they themselves have proposed increases in our expenditures which, if carried out, would double the present rate of income tax. And third, throughout the years the Conservative party has always taken the stand that we never had enough men and women in our defence forces and that we were never spending enough for war purposes.

On the other hand they are attempting to make the Canadian people believe that this government, and especially and particularly our Minister of Finance (Mr. Abbott), has stubbornly opposed the lowering of taxes, when they very well know, or at least should know, that no minister of finance since confederation has ever lowered taxes to a greater extent than did our present minister over the years 1948, 1949 and 1950, at a time when our economy was being converted, and at a time when our economy could be converted, from a wartime basis to a peacetime basis.

Mr. Fleming: Briefly, you mean the time of the last election.

Mr. Arsenault: Everyone should recall that in the fiscal year 1945-46, when the war ended, our total expenditures amounted to more than $5 billion. By 1949-50 that had dropped to $2½ billion. That is a 50 per cent cut. For example, a married man without dependents, and with an income of $5,000 a year, paid an income tax of $1,378 at the peak of wartime taxation as compared with only $510 in 1949-50. This was achieved by our present Minister of Finance as a result of the policy of a government which certainly does not hesitate, does not object to lowering taxes when conditions permit.

But as we all remember, then came days of anxiety, the cold war, international unrest, international tension and finally, in the summer of 1950, the outbreak of the Korean war, and with these various implications, the greatest threat we were ever confronted with to our freedom, to our security and to the security of the free nations of the world. Overnight the whole situation was completely altered.

The short period of vacationing under the shining sun in low taxation land was over. The dark clouds of a dreadful storm of the greatest magnitude were in sight. We were facing the grave and real danger of another world war. Would that third world war break out today or tomorrow? We did not know, and we still do not know. To meet this most serious threat to our security and to the security of the free world, we were compelled, with the other nations of the North Atlantic alliance, to undertake a rearmament program of some $2 billion a year, bringing our total expenditures up from the $2½ billion of the early budget of 1950 to the $4½ billion budget of April of this year.

Surely, nobody likes paying taxes. But the taxes that we are now paying is the price we ourselves have decided to pay for our own security, the security of the Canadian people; and I am deeply sorry to see the once great Conservative party taking in this house an identical stand to that taken by communist groups in other parliaments of free nations, such as France and Italy, with regard to the common defence effort of the free nations of the world against communism. The communists of France and Italy also find that their governments are stockpiling too much defence material and equipment. They also struggle for a reduction of taxes in what free countries of the world are left, at a time when the fate of the whole of humanity is being played on the poker table of the world. It is my sincere hope that the Conservatives in this house are not unconsciously playing the communist game.

Mr. Fraser: You have a wonderful imagination.

Mr. Arsenault: Out of a budget of $4½ billion, $2 billion is our share towards collective security of the free nations against strangulation by communism. This was voted by the Conservatives. Another billion dollars is the contribution of this government toward the social security of the Canadian people, such as family allowances, old age pensions, veterans' pensions and allowances and so forth. This also was voted by the Conservatives.

Mr. Fleming: Tell us about the neckties.

Mr. Arsenault: A half billion dollars goes for carrying charges on the national debt, the result of the last two wars and of deficits of past administrations, including the Bennett administration. This was shared by the Conservatives also. The sum of $300 million goes to statutory subsidies and tax rental payments to the provinces, and finally just about $700 million, or only 15 per cent of the

entire budget, is the amount required by all the other activities of the government such as agriculture, citizenship and immigration, fisheries, justice, labour, mines and technical surveys, post office, public works, resources and development, Canadian mounted police, trade and commerce, transport, railway and steamship services, and so forth.

Now, while some opposition members find taxes quite high, as we all do, yet they will never tell our Minister of Finance where we could make a substantial cut in a specific project or program. We have a most striking example in the case of our friend the hon. member for Broadview (Mr. Hees), who only last Friday, as we all remember very well, asked the Minister of Finance in this house whether a special budget would be introduced at an early date in order to lower taxes. Just recently, according to a press dispatch, the same hon. member made a statement to the effect that in his opinion the only solution to the Anglo-Canadian trade difficulties lies in further credits to Britain. Well, I do not question his views. I do not blame the hon. member at all for expressing that opinion but, with many others, I am really astonished to see that the hon. member for Broadview (Mr. Hees), as anxious as he may be to see taxes reduced, does not seem to realize that more credits or, in other terms, more billions to Britain, would mean heavier taxation for our Canadian people.

Now, are we going to cut down on our two billion dollar defence program, which alone accounts for almost half the total budget, before such time as we can really hope for a peaceful settlement of the many great international problems still outstanding? The Conservative newspaper, the Ottawa *Journal*, says no; and it adds, in an editorial published on November 21:

> The *Journal* does not know of any Canadian anywhere who objects to paying for the country's defence program.

But what the *Journal* and some opposition members in this house object to is what they call the stockpiling of certain categories of material and equipment. They find that we have purchased too many raincoats, too many shoes, too many jackets, trousers and overalls, too many blankets, too many neckties and so forth.

Mr. Fleming: Hear, hear; you got around to neckties at last.

Mr. Arsenault: Well, is not the whole defence program nothing more and nothing less than a stockpiling program of major size? Are we not stockpiling aircraft, jet planes, warships, minesweepers, machine guns, shotguns, bullets, and material such as steel, cotton, wool, as well as equipment such as jackets, underwear, trousers, overalls and shoes, that we may perhaps never use for warfare purposes, just as our American friends are stockpiling billions of dollars worth of atom bombs which, we pray God, may also never be used for purposes of warfare?

But if a real red-hot war were declared tomorrow, and we were compelled in a matter of months to bring about one million men and women into active service, would not that newspaper and those opposition members be the very first to blame the Department of National Defence and this government most forcefully and bitterly for its shortsightedness, if it was then found that we were short of material and equipment?

Mr. Fleming: We will not be short of neckties.

Mr. Arsenault: I am positively sure that the Canadian people find much more relief in learning about the huge stockpiling the government is doing in their contribution to our defence effort than they would be to learn, through the Ottawa *Journal* or some opposition members in this house, that in spite of their so generous contribution to our defence program, our army stores were empty.

And this goes without saying, that at any time responsible authorities may declare that we really have a surplus in some of our army material or equipment, the opposition members will be only too glad to support the government in making these surpluses available to some friendly nations of the Atlantic alliance as a contribution to our common security.

Mr. Fleming: Those neckties will certainly be useful.

Mr. Arsenault: But where the Canadian people find yet more comfort is in the conviction that all of that huge budget is spent in their best interests by a reliable, efficient and honest administration.

I should like to read again to the house the editorial from the Ottawa *Journal* of August 27, which has already been placed before hon. members by the hon. member for Waterloo North (Mr. Schneider). This is what the editorial says:

> To the eternal credit of our public men, no man in this country today dares to rise and say, or can say with truth, that a single cent of the billions spent was diverted to a private pocket from its proper channel. For our democracy, whatever its shortcomings, that is a glory.

Does any opposition member suggest that we should cut down on the billion dollars we pay for the social security of the Canadian people? Should we cut down family allowances, or old age pensions, or veterans' allowances in order to reduce taxation? Obviously, the answer is no. Can we make a cut in that half billion dollars which goes as interest on our national debt? No, unless we have surpluses which may be used to bring down our national debt. And, fortunately enough, in using our past surpluses for the reduction of our national debt our Minister of Finance is saving the Canadian taxpayers over $5 million a month in interest.

Is there any suggestion that the $300 million that go as statutory subsidies and tax rentals to the provinces should be reduced? Finally, we are left with the $700 million required for all other government services and activities which I enumerated earlier, the total of which represents only 15 per cent of the entire budget.

These are the facts which each member of this house, whether he be on the government side or the opposition side, should have the courage to face. There is no political gain to be made in hiding the truth from the Canadian public.

The Canadian taxpayers do not believe, and will never be misled to believe that, should the Conservative party have been in power since Korea, they would not have been paying any taxes or, if any, very little taxes. The people of Canada will never be misled to believe that the Conservatives are merely a group of magicians who can give something for nothing. These are disloyal and unfair political practices which lead a political party nowhere, or keep it in the wilderness.

Our Minister of Finance, who deserves the recognition and admiration of all true Canadians for his valorous, most courageous and strenuous work in the accomplishment of his duties, has proved before that conditions permitting, he would not hesitate in slashing taxes. He did it in 1948; he did it in 1949; he did it in 1950. And he is just the right man to do it again, at the very first opportunity; that is, as soon as new, favourable, international as well as national circumstances arise which will allow the government of this country to reduce taxes without endangering the security of the Canadian people.

Mr. H. O. White (Middlesex East): Mr. Speaker, I do not think I shall deign to reply to the speech to which we have just listened—

An hon. Member: We dare you to.

Mr. White (Middlesex East): —except to say that I do not think the house should cheer when he said that the defence spokesman for the Conservative party, the hon. member for Nanaimo (Mr. Pearkes), a man who wears the Victoria Cross, the Military Cross, and other decorations, is playing the communist game. That is the type of speech we have heard tonight.

I join with others in congratulating the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne. This is the traditional speech we hear at every session, and I think the one this year indicates quite well to the house and to the people that we are approaching a time when we may expect one of the cyclical budgets of the Minister of Finance (Mr. Abbott). It will be recalled that he promised a reduction in taxes in 1949, and within the next eighteen months we can look forward to another treat of that kind. But the people of Canada have not forgotten the taxes that have been heaped upon them since 1949 and the arbitrary way in which our taxation laws, particularly the Income Tax Act, have been enforced.

We all realize, of course, that we are living in the shadow of possible war. I do not think there is a Canadian who objects to paying taxes for the defence of Canada. What we do object to is waste and extravagance.

There is an old saying that wilful waste makes woeful want, and that is becoming very true throughout the country. We see where the Department of Defence Production has purchased within the past year almost one million dollars worth of broadloom rugs. People do not mind paying for aeroplanes, guns and other supplies for our troops, but I think the people of Canada are getting sick and tired of this arm chair army for which we are buying supplies. As I say, Canadians are prepared to make every sacrifice to prevent war; but, while the budget may be quite a distance off, I think from now on we can look for soft music.

Two things are notable in the throne speech, one for its presence and the other for its absence. One thing I should like to mention particularly is the reference to mail courier contracts. The Conservative party has long pointed out that changes were due in our rural mail service. Last fall many of the Liberal members from western Ontario took part in the debate on the postal estimates, and all mentioned the rural mail service. It was quite obvious that they had been tipped off that changes were going to be made and therefore they had better get in on the ground floor.

While I am dealing with this matter I should like to point out to the Postmaster General (Mr. Cote) that while a change in the system of rural mail contracts has been long overdue, there have been very few changes in the rural mail system itself. This system was set up in the horse and buggy days, and the requirements that have to be met before a rural mail service extension is provided have not been changed. The result is that in many areas farmers still have to go long distances to get their mail. I ask the Postmaster General to realize that not only are we in the automobile age, we are in the jet age and he should step up the tempo of postal deliveries in rural areas.

Another thing noticeable by its absence is the removal of the means test in connection with pensions to blind persons. I do not think I need say anything more, other than that the Minister of Finance was in London not long ago to lay the cornerstone of a new building being erected by the local branch of the institute for the blind.

I noticed recently in the newspapers that at a recent meeting in Ottawa of the Liberal federation it was suggested that the $2.50 licence fee on radios be abolished. The Conservative party have long advocated that, and now that an election is approaching the Liberals are beginning to wise up to the wishes of the people. I do not think the people will forget that we advocated this long ago. This is just another piece of sucker bait for the next election.

Mr. Garson: It apparently depends upon who suggests it, whether it is sucker bait or not.

Mr. Lennard: We have said it for years. You had better wake up.

Mr. Garson: Thank you very much, gentlemen.

Mr. White (Middlesex East): There are two far more vital subjects with which I wish to deal, markets and taxes. I do not believe there has ever been a time when the people of Canada were more perturbed and worried about taxes at all levels of government. I just received a statement of how the taxes collected by the township of London in my constituency are spent. Of every dollar collected by the township, 25 cents goes to the county, 45 cents goes to the schools and the township has only 30 cents for its own purposes.

I should like to indicate how municipal taxes have gone up; and at this time I should like to commend the leader of the opposition (Mr. Drew) for the practical approach to this problem which he indicated in the speech he delivered yesterday. The farm I am going to give as an example is known as Weldwood farm; it is located in the township of Westminster and consists of 212 acres. In 1946 the municipal taxes on this farm were $252; in 1952 they were $750.42. Farm land is not going to be able to carry such a burden of taxation, particularly with the falling prices for agricultural products. This situation is becoming so serious that municipal authorities all over the country are becoming quite worried. I shall say more about this matter later when I deal with the question of power. I mention it now just to show the serious situation of our municipalities.

Yesterday my leader referred to the fact that the cost of civil defence falls entirely upon the municipality. In addition the municipality must pay a sales tax on whatever goods it is required to buy. Should there be any amount of unemployment the municipalities will be saddled with further expense at a time when many of them will have lessened incomes.

So they are in a very serious situation. I think the seriousness of the situation was evidenced by the remarks made by the Minister of Agriculture (Mr. Gardiner) in the west some time ago, but it was not evidenced in his desire to find a market for surplus farm products. His remarks were designed to find a scapegoat on whom to lay the blame. In that speech, as reported by the press, he was blaming President-elect Eisenhower, and I suppose before this session is over he will blame the late R. B. Bennett, he will blame George Drew and he will blame the Conservative party. But Canadians generally are getting wised up to that and are not going to fall for it. Canadians will not soon forget how long this party has been in power, and that year after year markets for our natural products of the farms, the fisheries and forests have slowly but surely disappeared.

Paragraph 6 of the speech from the throne has to do with the commonwealth prime ministers' conference now convening in Great Britain. I think it is—I was going to say timely—but it too is long overdue, because many sessions ago I said that the countries of the North Atlantic Treaty Organization should be able to trade together because the military alliance would not last long if those people were not able to trade with each other.

I might also point out that if we expect Britain to buy our farm products we must also buy from them in turn. Yesterday it was pointed out how our exports have grown. True, dollar values have grown, and many strategic war materials and other scarce commodities are in great demand, but

not so the products of the forests, of the fisheries and of the farms. They have followed a very different pattern, and that economy is built on a rather false hope because, should the possibility of war diminish and the purchase of those strategic materials by other countries cease, we would certainly be in a very serious situation.

The United States glibly ignored the Geneva trade treaties when we were in a serious situation, and banned our dairy products and other products under the excuse of a defence situation. Every treaty this country has negotiated has seemed to get us into difficulty, including the international monetary fund, and we have found that through them our markets have been lost. During the time we enjoyed, and others enjoyed, the British preference we were able to market certain farm products abroad. Now the Geneva trade treaties have torn that up and here we are sitting with surpluses of many farm products and with decreased production. We could increase our food production as we did during the war so long as those who do produce or would produce are rewarded. We are again in the position of finding farmers in the community penalized for producing in abundance while we have a starving world around us. There were high sounding phrases back in the days when they wanted more food. They said "Food will win the war and preserve the peace".

Mr. Howe: Is my hon. friend aware that we sold more food last year than ever in our history?

Mr. White (Middlesex East): Maybe we did, but we have a lot on hand that you have not sold.

Mr. Macdonnell (Greenwood): You can't answer that.

Mr. White (Middlesex East): The hon. member for Waterloo North (Mr. Schneider), who seconded the address, mentioned and praised the government's meat floor price policy. I want to point out to this house and to the Canadian farmers that that is the packers' point of view. What about the consumer? The reduction in retail meat prices is infinitesimal, while the price paid for beef except for good and extra good quality has been reduced. The member for Waterloo North mentioned a figure of 15 cents and I have the quotation from page 11 of *Hansard* of November 21:

> Without the floor prices and the government support buying, livestock prices could have dropped to 15 cents or even 10 cents instead of holding at 25 cents and 26 cents.

Just the week before last a neighbour of mine shipped some very good cattle to Toronto and all he got was 12 cents. It would not be so bad if the consumer were getting some advantage, but it is the packers who are making a killing in two ways. As I mentioned before the producers are taking a beating, and if the consumer were getting the benefit it just would not seem to be so bad.

Not long ago, the week before last, I was invited to attend a hog producers' meeting at Clinton, Ontario. Some of the delegates from Waterloo North said they had approached their member and he had advised them that the solution to their problem was cheaper grain. I want to ask him if he recommends cheaper oats and barley for the Canadian farmer in the west. Price support as applied to beef, as is the case with many other commodities, is a joke.

The situation in which the farmer finds himself is being very forcibly impressed on labour in this country. The steelworkers in Hamilton, Toronto, Brantford and Woodstock are being let out in large numbers, and I have before me a copy of a memorandum sent to the government dealing with this particular problem. I wish to compliment local 2868, united steelworkers of America, C.I.O., of Hamilton, and locals 439, 458 and 636, international union of automobile, aircraft and agricultural implement workers of America, C.I.O., representing the employees of the Massey-Harris and Cockshutt Plow companies, of Toronto, Brantford, and Woodstock for their very realistic approach to the problem of markets for Canadian farmers. Drastic unemployment in the agricultural implement industry is but an indication that unless the farmer can sell at reasonable prices he cannot buy.

I wish to quote briefly from the steelworkers' memorandum:

> For a healthy farm implement industry in Canada it is necessary for Canada to trade with other nations of the world. Millions of people in the world are short of food. The requirements of many nations for farm implements to increase food production has recently been the concern of the United Nations. Many of the nations where food shortages are most acute are unable to pay for their equipment in American or Canadian dollars. It is the responsibility of the Canadian government to arrange for trade agreements with these nations. Where it is not possible for the other government to pay for Canadian farm implements in cash, arrangements should be made for trade in goods or through long-term payment plans.

The labourers in those particular agricultural implement factories are finding that since the farmer cannot sell his products he cannot buy the products of labour and consequently these people are being let out. Neither can they buy Canadian cheese, bacon, eggs and the many other foods that are necessary for those who are working in heavy industry, so the vicious circle continues.

Paragraph 9 of the speech from the throne deals with our economic conditions and reads as follows:

> Our economic conditions remain favourable and the level of external trade is high. While the dangers of inflation have not disappeared, pressures have eased and it has been possible to suspend the operation of some of the anti-inflationary measures.

Trade, Mr. Speaker, is our life line, and anti-inflationary measures are certainly not necessary. It is too late to help. Inflation has put our prices up until we have priced ourselves out of world markets, and the government is to blame. They had control of credit and currency through the Bank of Canada. Did they exercise it? They allowed prices to go up and up, and in a sense they have approved of it. They give it their blessing. Why? Because it provided the buoyant revenues of which the Minister of Finance (Mr. Abbott) spoke so glowingly.

Coming back for a moment to taxation, I mentioned the taxes at the municipal level. People in the municipalities are able to see what has been done with their tax dollar. They have their roads, bridges and schools right under their eyes. They know what is happening. When we come to the provincial level, we see our highways and the results of many other expenditures such as the development of natural resources. They are pretty well watched. But when you come to the federal level, not only are the taxes hidden but the expenditures are well veiled, so far as possible, so that we have little to show, in comparison with the municipal and provincial levels, for what has been done with our tax dollar. As I said before, the people are thoroughly aroused over the high taxation.

I believe that a complete revision of the Income Tax Act is also long overdue. It has been added to by amendments, rulings and precedents, until even accountants do not know just where they stand. Even now men are being taxed because of their intentions. That seems ridiculous, but such is the case and it applies when assessments are being made on so-called capital gains.

Paragraph 12 of the throne speech deals with the issuance of an order of approval by the international joint commission for the development of hydroelectric power in the international section of the St. Lawrence river. I think Canadians generally welcome an opportunity to demonstrate to the world in general, and the United States in particular, that we can proceed with the St. Lawrence development on our own, both as to the seaway and as to the power development. While I am dealing with power and I have the opportunity at this time to do so, I want to say that farmers and many others view with alarm the recent suggestion that hydro rates would have to be increased. I believe, therefore, that in our approach to this development of power we should exercise a little economy. With falling prices for agricultural products and increasing costs all along the line, as I mentioned in connection with taxes, farmers and others are not going to be able to pay increased rates.

Just last week I was in Strathroy, Ontario. A resident had received his hydro bill for $75. He said, "While I am not a farmer, I am living in the country; and where I am going to get $75 to pay this bill I do not know because I depend on the farm trade for my income, and it is slowly but surely disappearing". The same argument applies to freight rates. I see that we are going to have a meeting of the board of transport commissioners, and that will be one of the subjects on the agenda. I want to point out that increased freight rates are not only going to penalize the producer but they will also penalize the consumer. Farmers generally believe we have reached the point where we can go no further with these increases.

Paragraph 16 of the speech from the throne reads as follows:

> You will be invited to consider a measure to provide for federal co-operation with the provincial governments in the conservation of the water resources of Canada.

I believe Canadians approve of that. In western Ontario we have the Thames valley authority which is building the Fanshawe dam. I believe the people appreciate what is being done in that area, and that good results will come from it. While I am mentioning that, about June 10 last there was an editorial in the St. Marys *Journal-Argus* which was reprinted in the London *Free Press*, which dealt with the statement I made that along with the Thames valley authority and the Fanshawe dam we should investigate the possibility of pumping water from Lake Huron into the Thames watershed during the summer months. The editorial said:

> How would Mr. White make water run uphill?

I just want to point out to you, Mr. Speaker, and to the St. Marys *Journal-Argus* that civilization is measured by man's ability to make water run uphill. Many of the residents of the St. Marys area would have been glad this summer to demonstrate how to make water run uphill, if they had had some water at the bottom of the well with which to give a demonstration with the old farm pump. Some time ago it was my privilege to visit the Grand Coulee dam and see the great lake that is 150 miles long, and which has been raised to some 450 feet by the Grand Coulee dam. The water from this reservoir is

pumped up 250 feet more into the valley of the old Columbia river, and is used to irrigate the whole of that valley in Washington. That demonstrates man's ability to make water run uphill.

Mr. Laing: You are hundreds of miles out.

Mr. White (Middlesex East): What is the matter with you? Hydro has made it possible to make water run uphill.

Finally, I commend my leader for his speech yesterday in which he pointed out how the extravagances of this government were costing the taxpayers unnecessary dollars; how the municipalities and the provinces were finding themselves in a difficult situation because of the taxing rights of federal, provincial and municipal governments. I am going to support the amendment he moved at that time.

Mr. A. W. Stuart (Charlotte): Mr. Speaker, for a few minutes tonight I wish to deal with one or two problems in which I am interested. At the outset I want to congratulate the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne. I also wish to congratulate my good friend the hon. member for Vancouver-Burrard (Mr. MacDougall) on the contribution he made this afternoon. I believe that he had good material and that his ideas were appreciated.

It would appear that too few of our Canadian citizens have the knowledge that I feel they should have in connection with this enormous defence expenditure. It gets far too little publicity. I realize that in many cases it is utterly impossible to give it the publicity it would warrant. Secrecy would bar any chance of giving out the full details. But I picked up a little clipping tonight. It refers to words used by a great Yankee, Cardinal Spellman, and this is what he said:

> It is better to have strength and not need it than to need it and not have it.

I believe that is the very position we find ourselves in tonight. We are preparing for trouble should it occur. We are hoping it does not. At the same time we dare not neglect that preparation because, when we do so, we put ourselves in an extremely vulnerable position. For that reason we must continue to prepare and we must continue to spend. The public are not given the information that I feel in many cases they should have.

I have listened with great interest this last day or day and a half to the speeches by the leader of the opposition (Mr. Drew) and the leaders of the other parties; and on so many occasions, particularly by the leader of the official opposition and by the leader of the Social Credit group, the government has been bitterly criticized for the loss of the British markets. In fact I believe it was the leader of the Social Credit group who made this statement which appears at page 59 of yesterday's *Hansard*:

> I wonder how long a man does have to keep pressing for the strengthening of the commonwealth and the restoration of our traditional market, that is the market the Liberals have thrown out the window . . .

If those markets have been thrown out the window I am sure it has not been done by Canadians. We are told about the loss of markets. We are told about roadblocks. Those roadblocks were not erected by Canadians, and I do not believe Canadians have any authority to take them down. We have in this country no authority to tell the people in Great Britain what they should do with their United States or Canadian dollars or with their sterling. I believe they have a perfect right to buy where they wish to buy. I believe this country, since 1940 particularly, has made a contribution to the British Isles that does not take second place to any contribution that has been made within the commonwealth. According to the figures, we have made gifts and loans of about $6 billion. Few persons stop to realize just what $6 billion means, but it is an enormous contribution for 14 million people to make.

During the last two days I have heard bitter criticism of the market that has been built up with our friends to the south. In this debate it has been stated that 80 per cent of our foreign trade, in the way of exports, is with the United States. I cannot think of a better country to be trading with, and I wonder today if the majority of the Canadian people do not feel the same way I do about the matter. Would it be right to turn down that market for cash and sell on credit? In this country today we have an extremely high standard of living, second only perhaps to that of our neighbours to the south. If we gave our goods away or sold them on credit could we maintain that standard of living to the same extent that we could if we sold for cash?

Perhaps citizens coming from the part of the country from which I come, namely the maritime provinces, take a different view. I believe that we are more conscious of the fact that those United States markets are the very lifestream of our part of Canada. Without those markets we would be completely lost. It is true that many of the things we produce go across the border in a raw state but there is no market for that material in Canada, and a great percentage of it is of a perishable character. So far as the

maritime provinces are concerned, the only normal market for it is the United States. I often wonder what sort of position we would be in if restrictive tariffs were placed on those goods by the United States. With the small population we now have, I feel that we could still look for a great decrease should that event ever happen. We are extremely dependent upon those markets.

I want to say here that I was greatly encouraged when I picked up a newspaper a few days ago and read extracts from a speech that was made by the Minister of Trade and Commerce (Mr. Howe) in Detroit. I believe there is much food for thought in the suggestions he made at that time. I might also say that in my opinion it is a good Liberal speech. This is what he said:

> While trade relations between Canada and the U.S. have never been better, they are capable of considerable improvement . . .
>
> While there were no serious restrictions in the exchange of raw materials between the two countries, "can the same be said of manufactured goods and agricultural products?" asked Mr. Howe, then added:
>
> "You know the answer to that as well as I do."

I picked up a clipping today, and I fail to understand why it ever appeared in the *Globe and Mail*. It is dated November 14 and is by a citizen of the city of Toronto who has returned from the United States. This is what that gentleman had to say:

> I have just returned from the United States. I bought the practical limit permitted for a forty-eight hour visit. My purchases consisted of identical brand name articles of merchandise sold both in Canada and the United States.
>
> I drove home on gasoline that cost me 27·9 cents (Canadian measure) in New Jersey, 31 cents in New York and 40 cents in Ontario—

When this oil boom came to Alberta we were all given to understand that we might expect cheaper gas and oil in this country. I can only say that in the part of the country from which I come there has been no reduction but rather there has been an increase. This gentleman goes on to say:

> —on four new 6·40 by 15 tires, price $67.16 in the States and $129.60 in Toronto.

I have put these figures on the record before with regard to the tire that is made by the identical company, one in the United States and the other in Canada. The four tires cost him $67.16 in the United States, and they were $129.60 in Toronto.

I just want to take a moment to say that in this House of Commons I have also heard a great deal of criticism with regard to the subsidization of farm products, fishery products, or whatever they might be. If ever there was a glaring example of subsidization in any country, there it is. Subsidizing industry is the difference between the price in the United States and duty paid value in Canada. Whatever that amount is that is the subsidy. It cannot be called anything else. Sometimes I believe those of us in the maritime provinces have a better right to complain about this unjust treatment than they have in some other parts of this country.

These are the prices here as compared with the prices in the United States. This article goes on to give a name brand of glycol; that is, anti-freeze. It was $3.75 in the United States and $5.95 in Canada. Only a few days ago I noticed that representatives of one of the great Canadian corporations appeared before the tariff board in Ottawa and asked for further protection. That spread is not enough to satisfy Canadian manufacturers, and they appeared before the tariff board in Ottawa asking for greater protection.

An electric mixer bought for a gift was $12.95 in the United States; it is $30 in Canada. That is a difference of a great deal over 100 per cent. An orlon shirt was $4.95 in the United States; an equivalent nylon shirt in Canada is $10.50. These are companies that are asking this government today to bar the importation of foreign textiles, at a time when there is a difference of nearly 100 per cent in the price of the finished product.

Mr. Fraser: That is what your Liberal government which has been in office for twenty years has done for you.

Mr. Stuart (Charlotte): God help us if we ever have a Tory government, particularly if they follow the same course they have followed since confederation.

Mr. McLure: What about New Brunswick?

Mr. Stuart (Charlotte): He mentions an electric razor. It cost $18 in Harrison, New Jersey. The same razor, made by the same company, was quoted at $29.95 in Toronto. These are the remarks at the end of his letter:

> Just why, in the light of the higher wages and salaries paid in the United States as well as the excellent profits now being reported, anyone should deprive themselves of the benefits of the obviously more efficient manufacturing and distributing methods leaves a lot to be explained.

That is signed by E. L. Patchet of Toronto.

I want to turn to one more subject along that line and deal with it briefly. Last summer we received from the Vancouver motor dealers' association a great deal of literature comparing prices of automobiles in Canada and the United States, and the different tax structures in the two countries with regard to this commodity. I was down in Connecticut for several days during the presidential election. I listened to the story and

watched the proceedings on television. As you realize, during an election campaign they come out with everything they have to offer to the public. In a radio address I heard a very prominent announcer in the United States state that the federal tax on a $2,000 car in that country was $620. The next day I got copies of two Connecticut papers in which that statement appeared. Unfortunately I have lost them, but these figures are correct. According to the literature that was sent out by the Vancouver motor dealers' association the federal taxation in the United States was $100. There is quite a difference between a tax of $100 and $620. That statement was in the United States press. I can get a copy of it. It appeared on November 3 last.

When the subject is mentioned and the great variation between the prices of automobiles in the two countries is shown, the first answer that the automobile manufacturers come up with is that it is taxation. A tax of $620 works out to about 32 per cent. That is the federal tax on an automobile in the United States. I am sure the federal tax on an automobile is not any greater in Canada. But what is the reason for this great differential in the price of the same make of car, one manufactured in Detroit and the other manufactured across the river in Windsor, or in Oshawa? I feel that Canadians have every right in the world to believe that they are being robbed. It is unfair for any company, with branches on both sides of the border, to take advantage of every bit of protection that is accorded to it.

I can see the force of a new company that is being established, perhaps with very little finances, asking for protection while trying to get on their feet, trying to manufacture. I believe they should be protected. But when you come to old established companies which are declaring dividends in the millions every year, and you find that they are still asking for protection and still charging the Canadian people 50 per cent more than they are charging United States citizens on the other side of the border, then something should be done.

I want to return for one moment to the subject I mentioned at the outset, namely the loss of British markets. I feel quite strongly on this subject. I feel that that matter has been in the hands of three very capable men, namely the Prime Minister (Mr. St. Laurent), the Minister of Trade and Commerce (Mr. Howe) and the Minister of Agriculture (Mr. Gardiner). Perhaps I would feel this way naturally, but going back over history I have found it impossible to find a better team at any time since confederation. I believe these three men have used every avenue. They have taken every advantage. They have done everything that was humanly possible to restore and hold those British markets for Canadian goods.

We all appreciate the British markets. There is not a Canadian in this chamber, there is not a Canadian that I know of, who does not appreciate the markets that we have had in Britain over the years. I am coming out with a suggestion that perhaps has never been mentioned before in the House of Commons. If we want better marketing conditions; if we want better world conditions, we shall have to do something along these lines. Our Prime Minister and the Minister of Finance are on their way overseas tonight. The result of the meeting they are to attend will not be known for a few days. We all realize they have a big job to do, but I want to say in all sincerity that the biggest job that Canadians might sponsor today is free trade within the NATO nations, if we want to create good will and good understanding.

Go back through history and you will find, and you will be convinced immediately, that a great number of the wars we have had down through the years have developed because of tariff walls. Tariff walls have been responsible for them. As I look back at the figures I find that since 1940 the United States has contributed $87 billion to Europe and Asia. That includes, of course, the assistance they gave Russia when that country was our ally during the war. A great deal of that $87 billion has gone into Germany, Japan, and countries that were devastated during the war. They must come back in order to produce and manufacture to live as we would like to see them live. But it would seem to me that it is simply giving with one hand and taking away with the other if, after they get into a position where they can manufacture and export, we stick up a tariff wall and refuse to do business with them.

You will never have world peace, you will never create within the United Nations the feeling that should be created, so long as tariff walls stand as a barrier. There is one way and only one way a proper feeling can be created, and that is to tear the gates down in all the countries within NATO. When you do that not only will you make friends there, but some of the democratic countries outside NATO will then wish to become members. They will realize that this organization is not one that takes only a negative stand or uses them when world conditions are such that we might use them to our advantage. They will then realize that we are trying to help them not only to build up a war machine but to trade with them and to a great extent be responsible for improving their standard of living.

I believe communism would be licked today if in this world we could just fill the stomachs. It is utterly impossible to convince people who are hungry, people who are without clothing and without shelter, that our way of life is the only way of life. I have seen some pretty desperate circumstances overseas, such as to convince me immediately that people in desperation are in the same position as a drowning man reaching for a straw—"Anything is better than what we have." So many at that stage are content to accept some ideology which at other times would seem utterly hopeless to them. But through starvation and hunger they are obliged to accept whatever is offered to them.

By creating free trade within the United Nations I believe that we in Canada could continue with the standard of living we now have. We are an exporting nation. Fourteen millions of people can never consume what they can manufacture and create. Our prosperity is based upon the amount we can export.

For that reason we are the country that should be leading the way. As was said by the Minister of Trade and Commerce (Mr. Howe) in Detroit, the only way we will ever obtain world peace, the only way we will ever satisfy our allies and friends, is by leading the way ourselves, throwing down the gates and taking what they have to offer. When that is done we will hear members in this House of Commons rising to their feet defending industry in their own constituencies. They will be complaining because the importation of Japanese balloons, or something else, is depriving people of their living.

We must contend with that. In this connection I should like to place on record an article I came across the other day in *Time* magazine, dealing with Mr. Parker of the Parker Pen Company. Parker was sent to England by his father many years ago to establish a branch of their industry in that country. The article points out that in the first year he was there he lost $100,000 through not knowing the English methods of distribution. He continued in his efforts, however, and found it wise to hire British merchandisers, until today the products of the Parker Pen Company are being advertised in thirty-one languages and last year foreign sales rose to a volume of $13,700,000, or about 40 per cent of the total sales. The article goes on to say:

> While expanding abroad into 121 countries, Ken Parker did not forget his 1,900 employees at home. They have a union shop, liberal welfare benefits, and a respect for Parker's enlightened methods; never in the company's 60-year history have they called a strike. A year and a half ago, feeling that the time clock irritated employees, Parker abolished it. Tardiness and absenteeism dwindled to almost zero.

And the final paragraph of the article attributes these words to Mr. Parker:

> We'll take our chances on U.S. production and merchandising savvy any time against all comers. And with the bars down in both directions, U.S. manufacturers would have access to the two billion consumers in the world, instead of only 150 million at home.

I suggest he might be described as a gentleman of vision. The Parker pen is one of the most expensive manufactured on this continent. We see many types of ball pens and pens of the traditional type but, despite the pens offered on the market, this company has built up a large volume of business, and is prepared to take on all comers. They have thrown down the bars and have said they are prepared to compete with any other man. That is the spirit that must be developed in all the NATO countries, particularly in Canada and the United States. We have to encourage others, and no better way can be found to give that encouragement than to be prepared to buy from them. We cannot have it just one way: If we want to sell to them we must buy from them. I noted that in a recent speech Dean Acheson said this:

> If we and our partners in the free world are to build the kind of economic and military strength we need for our security, we must all co-operate to reduce and minimize the barriers to trade between us.

In my opinion truer words were never spoken. There is nothing we can do and nothing the United Nations can do that would go further toward the making of peace and the betterment of world conditions than to treat our friends as we would like to be treated.

The hon. member who preceded me in the debate referred to prices being paid today for farm products. Travelling to Ottawa the other day I drove through four states and made comparisons of farm prices along the way with the prices I had been obliged to pay in the little town in which I live. Malone, New York, is only about 90 miles from Ottawa. In three grocery stores in Malone bacon was selling at three pounds for a dollar and pork loin at 40 cents a pound. Yet I cannot buy bacon at three pounds for a dollar. Some hon. member may know somewhere he can get it at that price, but I cannot find it. Those are the prices they are receiving today for pork in the United States.

The Canadian product cannot go into the United States today, and one would take it for granted that, with Canadian meats barred from that market, prices would be much greater there than they are in Canada,

because in this country we have a surplus. But those are the prices they are receiving for pork and pork products in the United States of America.

I feel that perhaps it is not only the Canadian farmer who is beginning to feel the pinch. The hon. member who took his seat a few moments ago referred to inflation. Well, there is only one way to do away with inflation and that is to get prices down. We will never do away with it so long as prices are spiralling. They have to come down, and will have to start somewhere. My experience has been that they usually start with the primary producer. That has already taken place in the maritime provinces. The demand this year for fish and fish products is much less than it was last year, and very much less than it was two years ago. Prices are down. I feel that perhaps the primary producers are not able to meet this situation. They do not like to see the prices of raw materials being the first to come down.

Today our people are living better than ever before. There is no question about that. Prices are high in most cases, but some day there is going to be a slump. It has to start somewhere. The cost of living index has been dropping slowly during the past three or four months, but the time is coming when it must drop more rapidly. Prices must fall.

In conclusion may I say that I hope the government will give serious consideration to the lowering of tariffs. I feel that that action would be of greater benefit to Canada than it would to many other countries in the world. We are an exporting nation and we should be leading the way. If we want to create a feeling of respect, if we want to give the people of other countries hope for the future, we cannot follow a better course than to throw down our tariff walls and deal with our friends and allies as we would like to have them deal with us.

Mr. A. Earl Catherwood (Haldimand): Mr. Speaker, one of the privileges we have under our system of government is that of taking part in the debate on the address in reply to the speech from the throne. I trust that this privilege will be long continued and that no effort will be made to drastically curtail a discussion which permits us to voice our grievances, to express our ideas and to bring parliament more or less up to date. I know there are those who will disagree with me on this score, but I do trust there will be no curtailment of this discussion. It is true that there is a certain amount of repetition; it is true there are some rather long speeches, but I feel that the collective views expressed in this debate give us a knowledge that is well for us to have.

We are meeting under conditions which are not greatly changed from those which obtained when we adjourned in July. Canada is still building up defences against aggression in an effort to avert global conflict. This is something close to the hearts and minds of all of us. We hope these efforts will continue, because if another global war were to develop it would create the most calamitous situation this world has ever known.

I think our people are generally in accord with the government on its defence policy provided reasonable value is obtained for the expenditures made. The question is whether we are getting value for the money spent in this regard. From the rather shocking revelations in the press and the questions that have been asked in the house it would seem to be indicated that we have not been getting full value for our defence expenditures. The references that have been made to the ultra-extravagant methods pursued by the defence purchasing department has created grave doubts in our mind.

We as members of Her Majesty's most loyal opposition, and I think the majority of the 14 million people of Canada, will go all-out with the government provided our country is placed on an equal standing with other free nations in the world. We will co-operate to the full if our government provides the best of military equipment for all our armed forces. We will give credit where credit is due when the government acts as we feel it should in the best interests of all the people of Canada.

But we will not and we cannot acquiesce in expenditures of the type that have just been brought to our notice. I think it is the duty of every member of parliament to scrutinize closely every expenditure of government, not just defence expenditures. I hope the day will never come when we are not permitted to carry out this prerogative to the full. I hope the day will never come when the government of the day will not invite or even welcome all members—and not just those of the opposition—to dig deeply into the intricacies of government operations. If by so doing they are able to find inequalities, unjustifiable actions, improper methods and deficiencies the government should congratulate the members who have brought such matters to their attention and take immediate steps to remedy the situation. That is my idea of good government.

I came to parliament—and I know this is true of all hon. members—with the idea of being useful and of giving the best representation possible. The people of Haldimand, whom I have the privilege of representing, are pretty sound-thinking people. They have

proved this by consistently returning Conservative members to this house for the past fifty years. You cannot continue to be associated with people such as we have in Haldimand—and this would apply to most rural constituencies—unless your actions and voice reflect the thinking of those people.

As their representatives in this the highest court of the land they expect us to protect their interests, to protect their rights and to protect their privileges at all times. That is our trust. It is a great honour to be a member of parliament. I hope no government member will criticize or condemn any member of this house, even a member of the government party, who makes an effort, rightly or perhaps even wrongly at times—this does not occur too often—to improve or better conditions through the medium of this House of Commons.

It is rather interesting to note how much further advanced is the National Liberal Federation than is the government itself. There was a recent meeting of the Liberal federation at which a number of resolutions were passed which were in complete conformity with views which have been expressed in the House of Commons by members of the opposition. Hon. members will recall how in recent sessions our party, under the leadership of the hon. member for Royal (Mr. Brooks), so well brought to the attention of this house the great needs of many of our veterans and their families. We know something of what those needs are. Because of the high cost of living, these people were finding it difficult to get along. We now find that the National Liberal Federation is in complete agreement with the suggestions that were made in this house by the Conservative party.

Hon. members will also recall that at every session since the commencement of the twenty-first parliament we have requested the government to take some action in connection with the Post Office Department. We are glad to notice that the Postmaster General (Mr. Cote) is showing an increasing interest in these matters. These problems are most serious, and they have been brought to the attention of the government on many occasions. There have been complaints about mail deliveries in the urban centres and the plight of the rural mail carriers. The National Liberal Federation has recognized again the reasonableness of the oft-repeated request made in this house by members of our party. Then again we find the Liberal congress in complete acquiescence with our views in regard to the abolition of the nuisance radio licence fee of $2.50. That has been brought very strongly to the attention of the house by my leader and others on many occasions. We have requested that the C.B.C. should not have a monopoly on radio and television service across the country. That too was brought very forcibly to the attention of the house by my leader in his opening address in this debate, and again we find the Liberal federation approving that policy.

As we look back over the past three and one-half years we find on the pages of *Hansard* innumerable references by members of our party to which members of the Liberal federation now give their support. In other words they now support those things for which we have pressed for many years.

There was one particular matter I would like to bring to the attention of the government, more particularly to the Minister of Mines and Technical Surveys (Mr. Prudham). He is not in his seat at the present time, but I would like to suggest that he undertake a geological survey in a certain section of southwestern Ontario. On this I would like to quote Mr. W. A. Bell at page 18 of the statistics for the department where he says:

> The guiding objective of the geological survey is a systematic study of the geology of Canada. Until the geology of any area is thoroughly known no just appraisal can be made of the economic value of its rocks and unconsolidated deposits, and of the probabilities of the occurrence of commercial quantities of minerals and fuels.

Further on in his survey report Mr. Bell states that geological surveys have provided data of great value to the discovery and development of oil in the foothills of Alberta. We certainly have no quarrel with that statement; I think it is quite true. My reason for asking for a survey of the southwestern Ontario area is because of the immense resources of natural gas we have in that section of which Haldimand county may be classed as the centre. As the production of natural gas is associated with oil in many cases, I think it would be particularly justifiable to ask for a survey.

Haldimand county has over 2,000 natural gas wells and the neighbouring county of Norfolk has approximately 350, with a combined annual production of well over 2 billion cubic feet of gas. We also have the gas field in the southwestern portion of Ontario along the shores of lake Erie, where owing to the heavily-producing gas area oil might be found. I trust the minister will give some consideration to this request, as I feel under the conditions it is a very normal one we are making.

The Conservative party has consistently urged the government to give some measure

of relief to the taxpayers, but this request has just as consistently fallen on deaf ears. Our party has pointed out that the policies of overtaxation which have been so much in evidence since the election of 1949 have created a feeling of frustration and a feeling of "what's the use" in so many of our people. In spite of that the government has increased taxes beginning with the first budget after 1949, producing huge surpluses, and has repeatedly stated each year that they have to tax heavily in order that we may continue our defence and social security projects. I think the best answer that has been given comes from the Canadian Institute of Chartered Accountants and the Canadian Bar Association, an organization I know all hon. members will agree is of a non-political nature. After a most careful study of the tax structure they have concluded that a substantial measure of relief could be given. They announced that a surplus of $300 million could very well be possible; and the suggestions were made after careful study of the situation.

The Canadian people have reason to believe that this high taxation should be cut down to a certain extent, for to be overtaxed year after year just means that there are many sacrifices which have to be made by our people. For instance, they cannot make a little extra payment on a mortgage as otherwise they might. They perhaps cannot buy that fur coat—or not perhaps a fur coat but a badly needed coat for the wife—and it means giving up many other little things that go to make our way of life what so many of our Canadian people feel it should be.

There is just one other matter I would like to deal with, and it is one which is and should be of great concern to every member of this house. I refer particularly to the fact that there was no reference in the speech from the throne to the situation which concerns the farm people in this country, and the disposition of our farm products. I have just completed reading a lengthy and rather detailed account of the meeting of the United Nations food and agriculture organization held in Rome this year. After reading that report I find it emphasizes the often expressed sentiments of so many people that there is definitely something radically wrong with our system of food distribution throughout this and other lands. It is unfortunate that some system cannot be devised under which we could have a more proper distribution of food throughout the rest of the world. Each year, and perhaps this year more than at any other time, the FAO has striven to emphasize the urgent need for greater production of foods to ensure the very minimum of requirements for the people of the world.

I would like to ask members of this house if it is just the purpose of this organization to meet year after year to study and analyse the world food situation, to make recommendations as to what should be done, and there to let the matter rest. To many people the setting up of that organization some seven years ago was one thing in which we felt there would be an advance, something to help solve the world's greatest problem next to that of war, that of relief from the haunting fear of hunger and starvation. In many places throughout the Asiatic world people are starving due to the fact that we have not as yet established that necessary form of distribution. What hope is there for a free world as long as that situation continues, after seven years of meeting together with members of over sixty nations; and what have we accomplished? Exactly nothing. When we consider the high hopes we had at that time and what little has been attained we naturally feel that this body is not serving the useful purpose it should. That would be a natural conclusion. However, I feel that a certain responsibility rests with the United Nations assembly. I definitely feel this matter should be high on the agenda of the United Nations discussions because, Mr. Speaker, again I say there is no greater problem that faces us, next to the battle against aggression, than the battle against famine and hunger.

This is a matter that deeply concerns us all. The facts are that before world war II there was enough food being produced to provide every man, woman and child with 2,380 calories per day. After twelve years of so-called progress we have enough food to supply every man, woman and child with 2,260 calories per day, 120 calories less than we had twelve years ago. We can therefore understand the reason that the food and agriculture organization recommends an increased demand for food. Again I say this problem should rest with the United Nations assembly itself.

The speech from the throne made no reference to the position of agriculture. I believe that was an important and very serious omission on the part of the government. I feel that agriculture in Canada today is in a most difficult position, regardless of the statements by the previous speaker. In my view the present position of the farmer is certainly not bright.

I have just come from the farm to attend this session of parliament, and many of our members have some knowledge of the situation. It is really very serious indeed. The farmers have seen labour ask for and receive higher remuneration for their services; they have seen the prices of the goods that they

have to purchase rising higher and higher. On the other hand they see the prices of pork and beef tumbling. They see a lessening in the demand for poultry products, and dairy prices are levelling off. These, gentlemen, are not very nice things to have to bring before the house. We would like to say that conditions are bright and cheerful, but such is not the case.

A real challenge faces us in this House of Commons, as we meet to discuss and debate these problems. Agriculture today is fast approaching a crisis. Whatever is done about the farm situation at the present session of parliament is going to be very important to the primary producers of this country. We trust that legislation will be brought forth which will improve the position of the farmers of Canada. We, as Canadian citizens, owe so much to our farm people. When that industry is kept in a strong, healthy condition, it means that Canada's economy is healthy. It is to be hoped the government will make a definite statement of policy as to what they have in view, particularly with regard to regaining our markets.

We know that on many occasions we have pressed for a commonwealth conference. We know that our leader has repeatedly suggested such a conference. As farmers we realize what such a meeting means. It means a great deal to us. We trust that the commonwealth meeting which is now being held, and which the Prime Minister (Mr. St. Laurent) is attending, will result in something of value to the agricultural industry of Canada. I hope that, along with what I have suggested, the Minister of Agriculture (Mr. Gardiner), the Minister of Trade and Commerce (Mr. Howe) and the members of the government will take into very serious consideration the fact that this matter of trade is so important to the farm people of Canada.

Mr. Shaw: In view of the fact it is almost ten o'clock, Mr. Speaker, I should like permission of the house to move the adjournment of the debate.

On motion of Mr. Shaw the debate was adjourned.

On motion of Mr. Howe the house adjourned at 9.55 p.m.

HOUSE OF COMMONS

Wednesday, November 26, 1952

The house met at 2.30 p.m.

LABOUR CONDITIONS

REPORTED LAYOFFS AT ELDORADO REFINERY

On the orders of the day:

Mr. J. W. Noseworthy (York South): I should like to direct a question to the Minister of Defence Production, now the Acting Prime Minister. Will the minister give the house a statement concerning the reported layoff at the Eldorado Mining and Refining company plant at Port Hope? Will the minister tell us also whether further layoffs are contemplated, and if so where the uranium mined in Canada is to be processed?

Right Hon. C. D. Howe (Minister of Defence Production): Mr. Speaker, a telephone call was received in my office requesting this information, and I tried to reach the president of the company but found that he was in the Northwest Territories. The facts as I have them are that the fire which destroyed the mill at Port Radium is primarily responsible. The mill which was burnt was an old mill designed chiefly for the recovery of radium ore. Since the fire it has been replaced by a more modern mill which gives a greater degree of concentration of the uranium recovered. This means there is a smaller tonnage of ore to be treated at Port Hope, and therefore instead of a three-shift operation the refinery will, in the future, operate on a two-shift basis.

A further factor is that part of the staff at Port Hope were engaged in experimental work in designing a new refinery. It has been decided to defer the building of a new refinery for the time being. The staff engaged in that particular problem, numbering some ten or twelve, has been dispensed with. The employment, as of July 31, which was the peak employment, was 227 people. At present there are 199 people, and on December 15, when it is expected the two-shift operation will commence, employment will be between 150 and 160 people.

In answer to the second part of the question, I might say that all the uranium that is being mined in Canada is being refined at Port Hope.

LIGHT AND ROADBED AT C.N.R. WHARF, CHARLOTTETOWN

On the orders of the day:

Mr. W. Chester S. McLure (Queens): I desire to direct a question to the Minister of Transport. Has the minister received a petition from the labourers protective union, No. 9568, at Charlottetown, Prince Edward Island, asking for the supplying of light at the Canadian National Railways wharf, and also asking for a proper roadbed for the labourers while pushing their hand-loaded trucks to load the cars or boats for shipment at the Charlottetown warehouse? If so, what action will be taken?

Hon. Lionel Chevrier (Minister of Transport): I do not know, Mr. Speaker, that this is a matter of great urgency, but if it is in my hon. friend's mind I can say to him that I have no recollection of having received such a petition. It may be that one has arrived in the office, and I shall inquire.

Mr. Graydon: You are too busy with the Winnipeg communications, of course.

Mr. Speaker: Probably the hon. member for Queens (Mr. McLure) could put his question on the order paper and the Minister of Transport could answer it in the ordinary way.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, November 25, consideration of the motion of Mr. J. L. Deslieres 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. F. D. Shaw (Red Deer): When speaking in the house yesterday, and as recorded at page 76 of *Hansard*, the hon member for York South (Mr. Noseworthy) had this to say:

> It becomes clear from the speech of the leader of the official opposition and the speech of the leader of the Social Credit party that today the C.C.F. is the only party in this house which is prepared at this session to support legislation for the inauguration of a national health insurance program.

Obviously, Mr. Speaker, the hon. member for York South completely misunderstood the

hon. member for Peace River (Mr. Low) when he outlined our position with respect to health insurance. Had my leader been opposed to a scheme of national health insurance, surely he would not have proceeded to envision the type of health insurance scheme which we would conceive of.

What the hon. member for Peace River asserted was that we are in favour of a national health insurance scheme, to commence at the earliest possible time; but he cautioned the house against any overeager effort on the part of anyone to catapult this nation or the state into any comprehensive scheme of health insurance or hospitalization before the means are available or the facilities are ready for it. The Social Credit leader indicated that the kind of health insurance scheme which we envision would first ensure that we have sufficient doctors, dentists, technicians, clinics and hospital beds available in order to provide the services for all our people under a national health insurance scheme.

The hon. member for Peace River then went on to list what he considered to be five essential features to be embodied in any national health insurance scheme. They were, first, that we have a fair measure of individual responsibility; second, that the patients will be guaranteed the right to have their choice of doctors and that the program must guarantee that there will be no regimentation of patients, doctors, nurses and hospitals; third, that emphasis must be placed upon preventive medicine or, in other words, keeping the people well; fourth, joint co-operation on the municipal, provincial and federal levels, with administration by the municipalities and the provincial governments working in co-operation; and then finally, provincial and federal subsidies to keep costs down.

Such a stand, Mr. Speaker, does not represent opposition to the establishment or the inauguration of a national health insurance program at this session. What we are opposed to, as my leader stated, is being catapulted holus-bolus into a complete scheme where we have not the necessary facilities in order to guarantee the services to our people. But surely a step can be taken now, along with steps that have already been taken, to establish health services with the idea in mind that this is a part of a national health insurance scheme. We say that this represents a common-sense, practical approach to this extremely important proposition. I hope it will not be said again that we are opposed to the inauguration of a national health insurance scheme at this session.

[Mr. Shaw.]

During this debate several hon. members who have spoken have made reference to agriculture and the present position of agriculture in our national economy. I hope to devote only a few moments to this subject, because I do desire to bring before the house one important matter which I think is deserving of immediate and serious consideration. It is true—and I have said this here upon many occasions—that my constituency embraces one of the finest mixed farming areas in Canada. The livestock produced in that area, along with other farm products, have been consistent winners at fairs in this country. That is a fact which testifies, of course, to the excellence of the agricultural products which are produced in that area. More than one world title has gone to the Red Deer area.

We all know, especially when we live in a mixed farming area of that kind, that livestock prices, in the main, determine the degree of stability or instability of the basic industry. Last spring, as I pointed out in this house, the closed markets resulting from foot-and-mouth disease had a most disastrous effect upon livestock producers in that area, especially upon those who were feeding cattle and preparing them for the markets. The existing floor prices for hogs and for cattle, quoted invariably f.o.b. some other place except that where the commodities are produced, leave much to be desired as far as our agriculture is concerned. Apart from the most exceptional cases, the floor prices for those products are absolutely meaningless as far as our producers are concerned. All one has to do is to examine the returns which the farmers are receiving for cattle and hogs. Too frequently—and I feel it necessary to mention this matter—the cost-conscious tax-burdened consuming public regard excessive resale prices for farm products as an indication of undue profits accruing to the farmers and what they would think to be a generally prosperous agriculture.

It is my conviction, Mr. Speaker, that the consuming public should be made to understand that, despite high resale prices for farm products, the net position of the farmer today, under excessive production costs, leaves a good deal to be desired and leaves the agricultural industry—especially that aspect of it relating to livestock production—in a precarious position in many instances.

In my estimation price spreads should be the major concern of any government, and every government should make every effort to find out the facts, to make those facts

known to the public, and in short to interpret the position of the farmer to the consuming public of this country.

Mr. Blackmore: Accurately.

Mr. Shaw: Yes, accurately, as the hon. member for Lethbridge (Mr. Blackmore) interjects.

With regard to agriculture and matters relative thereto, I should like to devote just a moment to the question of prairie farm assistance, particularly as prairie farm assistance applies to an area such as mine where farmers do not qualify as a consequence of crop losses resulting from drought but rather as a consequence of crop losses resulting from hail. In 1951 disastrous hail storms swept across that area. Losses were heavy. For almost the first time in thirteen years, during which time the farmers have been compelled to pay into the fund under the Prairie Farm Assistance Act, they looked to the P.F.A.A. for some compensation as a consequence of those losses. One of the first things we learned, Mr. Speaker, was that the P.F.A.A. was originally designed to take care of crop losses resulting from drought. The same regulations are carried forward today, in the main, and the endeavour is made to apply them to hail areas. As a result, the act becomes almost impossible of administration, and the unfairness which develops as a consequence is causing the farmers of my area to charge the government with the rankest kind of discrimination. I am telling the house only exactly what the farmers themselves are saying. Regardless of their politics, in every part of that area they are issuing that charge.

I should like to underline the fact, Mr. Speaker, that for twelve to thirteen years those farmers have been paying one per cent of the price on all grains which have been marketed, through the recognized channels of marketing, of course. In the first place, I should like to know why with respect to an area such as the Red Deer area, where actually little wheat is grown, the main crops being coarse grains, they should persist in using wheat as the grain to determine eligibility. In the second place, in contrast to drought, hail cuts narrow swaths through the area. Hail will hop, skip and jump through an area. In a good area where production is so heavy, where hail does not strike, it is virtually impossible for 60 per cent of the farmers to qualify, because part of that township can be devastated, but because production is so high in the other part of the area it brings the average up above that which is used to exclude the township.

In the third place, the six section block which must exist, the block in which production is less than eight bushels to the acre, is unreasonable and altogether too high as far as hail is concerned.

When farmers proposed that the unit of eligibility be lowered below the six-section block they were told that it would encourage poor farming. Poor farming has been encouraged in the dried-out areas ever since this act came into effect. The farmers in my area claim that there is no reason in the world why the unit of eligibility under P.F.A.A. in relation to hail should not be reduced at least to the one-section basis.

The farmers have indicated to me that they are willing to pay more than the one per cent; but if they are going to pay they would like to be in a position where they would have a reasonable chance to qualify under the act. We find situations like these. I think of one where twelve sections in a solid block were hailed out a hundred per cent. They paid P.F.A. on sections one to eleven. Section twelve was part of the block that was hailed out a hundred per cent, but because they are able to drag it in with five other sections alongside of an ineligible township, they excluded the area wholly and completely, leaving those farmers with devastated crops but yet not a cent available under the act.

There is another aspect of this which is causing quite some concern. While farmers with 100 acres to 200 acres under cultivation lose everything as a consequence of hail and get nothing from P.F.A., yet we find a policy under which the government will pay a $200 flat award on farms where the actual acreage under cultivation is less than 25, categorizing such farms as a farm in the development stage. I have no objection to these farmers getting $200, since they paid for it, but it is hard to reconcile that with the situation where farmers lose 200 acres of grain and qualify for absolutely nothing. I am not criticizing the inspectors; I am not criticizing the men in the district offices who administer P.F.A.A. They are trying to do the best possible job with an act that is, as I said before, almost impossible of administration, if you want justice, equity and fairness, and the absolute removal of anything which appears to be discriminatory in character.

Let me point out that this has caused a lot of criticism. It has caused a lot of unhappiness. In my view, this act should be referred to the agriculture committee and a complete study should be made of P.F.A.A. in relation to hail, because, and I repeat, the regulations, originally designed to compensate

farmers who had lost their crops as a consequence of drought, do not make sense when they are applied to these hailed-out areas.

During this debate, Mr. Speaker, considerable attention has been given to national defence. It is to national defence and defence production that I desire to devote my attention for a while. We Social Crediters have been wholly conscious at all times of the grave dangers confronting this nation. As a consequence of that, we have supported appropriations for defence. When these estimates have come before the house we have invariably questioned and sought information, and we have supported what the government considers to be essential appropriations for national defence. We are absolutely convinced that Canadians are fully prepared to bear whatever burden is necessary in order to ensure that we shall have the best possible and most adequate defences.

We have also supported the North Atlantic Treaty Organization and the provisions made by this parliament for Canada's share of the costs of NATO. We have gone considerably farther than any other group in this house in urging compulsory service in Canada's home defence units, and we have at all times urged the establishment of realistic trade practices to strengthen Canada economically and to strengthen the commonwealth. Therefore, Mr. Speaker, I think we have displayed through our actions that we have supported and that we will support all appropriations, as I said before, even though they may appear to be burdens, which are necessary in order to provide adequate defences. The Canadian taxpayers, however, demand one thing of us as a parliament. They demand that we give the very closest consideration to every item of defence expenditure, and that we make every conceivable effort to see to it that we are getting our money's worth out of every dollar spent in defence.

I know that during the last session of parliament this house set up a defence expenditures committee. We supported that action because we believed that such was necessary. It was said last year that the purpose of that committee was to try to effect economies consistent with the execution of policies decided by the government. It was under the able chairmanship of the hon. member for Spadina (Mr. Croll), and although I was not a member of that committee I personally feel that he conducted himself as chairman in commendable fashion.

Between April 8 and June 12 that committee held eighteen meetings. That was a very short period of time, it is true. During the period from April 8 to June 12 the committee, so my reading indicates to me, examined into government policy as far as defence expenditures were concerned. I noticed in reading all the reports that they gave consideration to control and accounting of materials and stores in the Department of National Defence. I also noticed that they gave consideration to write-off procedure which is followed by the government, including the write-offs resulting from theft, fire and other causes. The committee considered defence orders which had been placed between 1950 and 1952.

They gave consideration to military functions, economies and the possibility of alternative sources of supply. I believe they delved into the naval shipbuilding program. They also gave consideration to the requirements of the army, the navy and the air force. And then, shortly before the committee concluded its deliberations, the construction program of the Department of National Defence, as carried out by Central Mortgage and Housing Corporation and Defence Construction Limited, was given some consideration. As a matter of fact, Mr. D. B. Mansur, president of Central Mortgage and Housing Corporation, did, I understand, make a statement to the committee.

Apparently the committee's deliberations concluded following its consideration of policy and procedure relative to the defence construction program. In my estimation the most important work they have to do is ahead of them. I was very pleased to note that the defence expenditures committee is to be reconstituted. I am going to make several recommendations to the committee that it may, when it is reconstituted, take into consideration.

The first is that I think it has given reasonable consideration to policy; now I think it should devote its attention to the practical application of that policy in the field. And it is in that respect, as I said a moment ago, that I have a few things to say. Let me point out in passing that much consideration has been given to the procurement of such things as uniforms, and it has been said that too many of this have been bought or too much of that. Well, that does not concern me particularly at the moment. I well recall that I was one of those who levelled rather severe criticism at the government back in the early forties for being so wholly unprepared when war broke out. I realize it is most difficult to say that we need just exactly this number of that commodity or that number of another commodity. I say: within reasonable limits let us make sure we have enough to meet any emergency which may suddenly come upon us. I hope we will not be unmindful

of the probability that such an emergency could be only hours away. Let us hope it is much farther away than that.

My personal conviction, one based upon a good deal of personal investigation, is that the defence expenditures committee should be instructed, or that by resolution it should instruct itself. To be more specific, I would suggest that the committee resolve to pick out one particular military establishment in Canada and examine carefully into every aspect of construction relative thereto.

To be even more specific I might go so far as to suggest that they take an establishment within my own constituency, that at Penhold —although I would not want any investigation to be limited to that air station alone. I am going to give one or two reasons why I think such an investigation should be undertaken. First, there is ample evidence—and I witnessed it over a period of months prior to coming down here to Ottawa—of growing public concern and indignation over some of the things that are going on at Penhold. Information came to me; I did not go seeking it until so much of it had come to me that I considered it essential in the public interest to satisfy myself about some of these things.

Needless to say I became absolutely convinced that the defence expenditures committee should carry out an investigation. To be even more specific, I am not satisfied at all with respect to the construction of housing for airmen at some of these establishments. I shall leave Penhold for a moment and come to Namao, in the Edmonton district, where approximately 250 houses are under construction. So far as I know there is no evidence that adequate inspection has been carried out continuously, so far as that project is concerned. There is every evidence for me to believe certain things—and I suggest the committee should ascertain the facts, first of all, about the foundations of these buildings.

On the basis of my own investigations, I feel the contractors have not carried out the specifications as laid down in the contracts.

Mr. Johnston: That is not peculiar.

Mr. Shaw: Foundations are run sloppy, as we say. The tamping of concrete has been at an absolute minimum, and footings have been poured on loose backfill, with the obvious result that the foundations cracked and the buildings have settled until all one has to do is go up to them and place a level on the side to discover whether they are plumb or not.

There is reason to believe that green lumber has been used extensively by the contractors, with consequent shrinkage following the application of heat to those buildings, and that cracking in the finish has been general.

There is evidence to believe that the lumber used for framing is of a very inferior quality. It is warped, knotted and checked. So far as those houses are concerned, I suggest the committee should find out whether or not the joists were doubled, as per specifications. I would like the committee to find whether the chimney wells were doubled as per specifications, and whether the bridging of joists was carried out according to specifications.

I would like to know where the nails were that are presumed to have been used in a building that has to stand for any length of time.

So far as the general framing is concerned, the materials are highly questionable, again. The prefabricated wall sections have been left outside, some of them as far back as last winter, and have warped. Nailing appears to be at a minimum, and partition girths are hanging by nails having been driven up from underneath, again not according to specifications.

I would like the committee to look into these cracked walls, and to find out whether the inside studding has been carried out according to specifications. I would like to know whether or not in some of these buildings the centres are sixteen inches, according to specifications, or whether they are forty-eight inches. I think, too, that the single plates on the partitions are not continuous throughout.

I am not going to continue enumerating all these individual items so far as that particular station is concerned. However, I have scores upon scores of them I would be quite willing to make available to the committee. And, oh yes, I would like to know how the hardwood flooring has been put on, whether it was placed crosswise in some of the halls, or carried out according to specifications. I would ask the committee to examine the floors and see to what extent they are blocked up to the sole plates, in respect of both the exterior and the interior walls.

I should like to know whether lime mortar has been used in these chimneys or whether cement mortar was used as provided for by the specifications. I should also like the committee to find out in how many cases lime mortar froze before it was ever used. I should like the committee to examine the basement floors to see whether they were steel trowelled or whether they were properly dry finished as per specifications. I should like to know also whether these buildings all have the number of windows called for by the specifications.

On top of all this I think the committee should find out how many change orders were

issued after the buildings were under construction. I should like to know if the change orders were carried out as per specifications and what additional amounts were paid to the contractors as a result of those change orders. I should like to know how many of those change orders were absolutely essential.

I think if the committee is to look into these things it should call in the inspectors who have been connected with this job. Not only should the committee call in inspectors who are presently on the job; it is quite conceivable it might be wise to call in inspectors who are no longer on the job.

I indicated a moment ago that I should like to see the committee go to Penhold. These things are causing consternation among the people. There are some questions which should be answered. First I should like to find out something which has to do with construction only indirectly. I should like to know what it has cost the Canadian taxpayer as a consequence of the R.C.A.F. moving families out to that area before the houses for their accommodation were even nearly completed. What allowances have been paid to airmen to house their families in an area where it is difficult to procure civilian housing, a condition which has been so for a long period of time. I should like to know what additional costs have been involved and why these families were moved from where they were quartered when they were.

With regard to heating, I should like to know the exact cost of installing the temporary heating system which was operated with boilers brought in from New York. What extra amounts have been paid to the prime contractor as a consequence of installing the temporary heating system I should like to find out also what is involved in the establishment of an overhead heating system which has never been used and which according to my information will never be used because it is intended to have a central underground heating system. We should find out the why and wherefore of this heating.

Here is another thing the committee should look into. They built some pretty good roads at Penhold. They went down as I think they should have, they scarified the surface, they moved in new dirt and spent a lot of money constructing roads with the exception of putting on a hard surface. But then they came along to instal the water and steam distribution system and their sewage system. In doing this they just cut crisscross over the roads which had just been built. Why should a thing of that sort occur? Was there a lack of co-ordination or planning? What is the reason?

[Mr. Shaw.]

People in my area are asking me why trucks moved in 48-inch cement culverts, pounding down the road with them day after day, and then turned right around, hauled them out and then hauled in 24-inch culverts. That is something that should be looked into. These were to be used for storm sewers, I presume on the runway, although I am not too certain of that.

I want to know above all else what provision is being made to repay to the Canadian taxpayers money saved by contractors who are using R.C.A.F. equipment in carrying out their contracts, who are using draglines, bulldozers, et cetera, belonging to the R.C.A.F. I should like to know if proper deductions have been made for the use of that equipment which, as I say, belongs to the Royal Canadian Air Force. There is evidence that several contractors are using government equipment in order to carry out contracts which they have entered into.

I think the committee should find out about the lighting arrangements. Is there a bulk contract with the power company, or are meters used? I have reason to believe that they are operating on meters. If they are, and I say "if they are", it must be costing the Canadian taxpayer a pretty sum because thousands of powerful lights are going day after day and night after night, in the hangars and out of the hangars, when the station is not even operating. This was true up to two weeks ago. If they are operating on meters, I should like to know what the committee thinks about that. If they are not operating on meters we should be told something of the bulk contract, if such exists.

Then about water. I am informed that International Water Wells have been in there ever since last spring. People have come to me and asked whether they were drilling for oil. Penhold was operated as an air station during the last war and adequate amounts of water were secured at depths of 150 to 200 feet to carry out the training scheme at that time. I would say that that would be adequate for any scheme which might be inaugurated at this time. I should like to know the amount and nature of the contract with International Water Wells because, as I say, they seem to be just playing around there. They could have got a lot more done if they had been drilling for oil. Let me re-emphasize that there are wells producing abundant water from 150, 175 and 200 feet, and have been right along.

The fuel contract has caused some people a good deal of concern and I think it should be examined into. The supply contract does not concern me quite so much as the handling contract. I should like to know how many times the coal is handled and I should like

to know the details of the contract each handler has. I should like to know whether the amount paid to the final handler, as it were, is considerably in excess of what is paid at other stations. I should like to know also whether that contractor is ever around the station or did he simply let a subcontract and do very well as a consequence. I have no grievance as far as the individuals are concerned; it is simply a matter of practice and policy.

I assume that my time is almost exhausted but I do want to conclude by saying that during last summer and early fall a great many people came to me. I did not go out seeking anything. These taxpayers began to express concern and I deemed it my duty to try to find out a few things. I am disturbed and people are disturbed. If everything is all right, then I think it necessary that we find that out through a properly constituted method of examination. I know that there have been denials, but that does not surprise me because when I charged in 1945 that there was wanton destruction of surplus war material at Penhold I was confronted with vehement denials from all quarters. In fact, on the floor of this house my charges were denied and everything was done to discourage me. However, it so happened that I was a member of the war expenditures and economies committee at that time, and after a great many weeks and a great deal of cross-examination we were given the frank admission that the charges were absolutely true and the committee recommended a change of policy relative thereto. Therefore I am never too greatly impressed by blanket denials. I know the Minister of Defence Production (Mr. Howe) cannot be on each one of these jobs but I do say we should be able to acquire a sufficient number of properly qualified inspectors with the right to do their jobs without being hampered, and that they should be allowed to go in there and see that these contracts are carried out as they should be carried out and that the materials that are being used are materials which are essential to the construction of permanent establishments.

It is my understanding that these are to be permanent establishments, and who knows but what the cold war may carry on for twenty-five years or forever, as far as that goes, although we hope not. It is my understanding that they are trying to bring an element of permanency into the construction of these establishments. After all, we are faced with an emergency. We know that. But Canada is not being attacked and it is not as if we were required to put only half the necessary number of nails into a building to get it done in a hurry so that we could drive the enemy back from our shores.

The Canadian taxpayers will bear the burden. They have indicated their willingness to bear the burden of defence no matter what it may be but they require that every conceivable effort be made to ensure that the money which is taken from them and spent is spent in such a way that the results will be obtained which they hope will be achieved, and within a reasonably short period of time. I hope that the government will see fit to recommend to the defence expenditures committee that it should look into these matters or that the committee will take it upon itself to do so. I am sure the taxpayers of Canada will be greatly relieved if they know that that is going to be done.

Mr. F. H. Larson (Kindersley): Mr. Speaker, I realize that, the practice having been established in this house some time ago, the hon. member for Brome-Missisquoi (Mr. Deslieres) and the hon. member for Waterloo North (Mr. Schneider) should be congratulated on their efforts in moving and seconding the address in reply to the speech from the throne. Having been subjected to the same pressures at one time, I feel that probably I realize, more than is generally the case, the excellence of their speeches made under such pressures.

Looking at our national picture at this time in the life of this government I would say that the keynote of the government's activities has been a sort of gathering up of the loose ends that have resulted from the pressures exerted on our national unity and the building of this country once again and forever into one solid unit. Geographically, as I have said before in the house, we are split by miles and miles of area separating the various portions of the country one from the other, and it is very easy for us to drift into a position where we are sectional in our outlook. With the various sectional appeals that have been made to different groups in this country in the past by other governments, I do not feel that any other government would have the ability to continue moulding this country into one national unit as our present government has done.

In Saskatchewan we recently had a little contest about who was going to run that province, and the party which might form an alternative government at some time in this country was so short of candidates that I do not see how it could ever feel that it could form an alternative government to the one in power today.

Mr. Graydon: You were short after it was over too.

Mr. Larson: Yes, but we at least tried. The present government, in conformity with the policy of building up the national unity of

the country, has carried out a social welfare and security policy which I think—and I think I will meet with agreement—is second to none in the world. It was felt by many of us that after our senior citizens had served their time in adding to our economic welfare they should receive compensation as of right for their services, and hence the old age pension without a means test. It was also realized by the present government that it was most necessary to foster the interests of our greatest asset, the youth of the country. In some cases it was thought that they were not receiving as much of our national wealth as they should and under our family allowance system mothers were given a bonus according to the number of their children.

It was thought by the government that workers who, for certain reasons, could not obtain employment should have some sort of insurance against unemployment—hence unemployment insurance. Large numbers of people throughout the country and among the representation in the House of Commons are asking for a health insurance scheme. I have lived under a health insurance scheme most of my life provided by our own municipal doctor and hospital set-up, and a good many other rural municipalities in my part of the country have done the same thing. We found that it worked very well and up until the time the health system was put on a provincial basis we seemed to be getting along quite well in my part of the country.

I am certainly in favour of a national health insurance scheme, but one fact that I think we should look at is that there have been national health insurance schemes in many other countries. I do not think anybody will debate the question very strongly with me when I say that the roadblock in the dollar-sterling relationship may be caused to quite some extent by the health scheme put into effect in Great Britain under the labour movement. I think we should examine that situation very carefully because as a nation we certainly do not want to get ourselves into the position where we start something that is not on a sound basis and which we cannot carry out.

The province of Saskatchewan, where I live, has established a provincial hospitalization plan. It was thought that it could be carried on through the contribution by each family of a certain amount of money. It was found that not even half of the cost could be paid for by such contributions and a good deal of money had to be taken out of the consolidated revenues of the province in order to continue the system. The health unit that has been set up in Swift Current is one that has been mentioned in this house. The way the new constituency of Kindersley has been established, the health unit in Swift Current will become in the future one of my direct interests, and I have made some inquiries about it. It involves a large number of doctors. Some years ago the government of Saskatchewan set up a scale, which has been revised from time to time, of doctors' charges, and the top of that scale is considered to be one hundred per cent. Doctors who are doing certain work in cancer research, tuberculosis research and other types of research have had their fee set at three-quarters of the one hundred per cent or seventy-five per cent.

In the Swift Current health unit, the scale of fees as set up by the province partly applies, along with several other deductions, changes and alterations, and the fees for purposes of medical services in that unit have been set at fifty-three per cent of what the government of Saskatchewan considers should be one hundred per cent.

Now, when you consider that doctors are also looking after old age pensioners on a very reduced basis, it appears to me that this system, which has been so highly lauded by various people, is being supported mainly by the doctors themselves. A doctor, like anyone else, has to make a living. If health schemes are going to be supported chiefly by these men who have spent so much time in training, and who should be in the position to make themselves comparatively well off, it seems to me we are asking a great deal of them. When I hear about medical services not being available to people who cannot afford them, I feel like saying that I do not know of a single instance in which a Canadian doctor has ever said to a person, "I will not give my services to you because you cannot pay for them."

All these measures that I have mentioned are actually measures which tend towards welding this country into one national unit. Some people say that perhaps it is time for a change. I believe we should consider what the alternative would be; I think that is a very important consideration, and I believe the people of Canada will consider it very carefully.

Another problem which we have in Canada is our international responsibilities. We joined wholeheartedly in originating the United Nations, and we have closely supported that organization during the whole of its existence. I feel that the Secretary of State for External Affairs (Mr. Pearson), who has had such great honours conferred upon him recently, is correct when he says that the United Nations is still the chief hope for peace. However, we, as well as the people who live behind the iron curtain, did not feel

that we could trust our future to a parliament of the world such as the United Nations could have been. The reason for that is that there are too many people, who might be termed rather irresponsible, controlling a lot of votes in that organization. It was for that reason the security council, with the power of veto, was set up by the big five.

This move, brought about by apprehension in many quarters, practically took the teeth out of the United Nations and hampered its ability to make decisions that would be effective and binding. An armaments build-up was taking place behind the iron curtain, and our Prime Minister (Mr. St. Laurent), in common with other men who worked closely in designing methods of preventing war, felt that legally we were quite entitled to set up a defence organization within the United Nations. Hence, we have NATO. Now, Canada's responsibilities under NATO are quite extensive. Every day we see criticism levelled at that very much overworked and very responsible minister, the Minister of National Defence (Mr. Claxton). He is doing a job which, in times past, has required two or three ministers. It is only recently that he has been given an associate minister to help him with that job.

We find absolutely little criticism—we have charges levelled in the house by the hon. member for Red Deer (Mr. Shaw)—of the expenditure of the entire amount of our national revenue. I am speaking percentage-wise. There have been the small disappearances in places like Petawawa which have been brought up. We have never had levelled at this government, the Minister of Trade and Commerce (Mr. Howe) or the Minister of National Defence, any charge that could be made stick that there was any amount of fraud or money being diverted into somebody's pocket when it should have been diverted into the channels for which it was intended.

We are going to hear a lot as we go on from various people who feel that we should put the effort we are putting into our NATO commitments into sending food to Asiatic countries. I agree that there is possibly some merit in what they say, but I want to make one point clear. There is absolutely no foundation for the thought that you can stop people from becoming communists by feeding them. For one thing, the job of feeding them is impossible, and communism is not a solution for service. Communism is a materialistic religion which requires of those people who live under its domination worship of the state. The main reason that we will have nothing to do with communism is that we feel we can worship a higher power which is above the state. For that reason all parties in this house have committed themselves to checking that particular phase of life in some of the misled peoples of this world.

The national unity, which I was discussing, depends a good deal on providing satisfaction for the problems which have to be solved in every part of the world as much as in the various parts of this country that are split up by such wide geographical differences. Let us consider some of the things that affect the prairies, because that is the part of the country I represent. The first thing on which I wish to congratulate this government is the operation of the wheat board. I hope that the pressures that are being put on the wheat board from different angles to get higher prices, to do this or that differently, do not affect too seriously the thinking of the Minister of Trade and Commerce, because I feel that people generally—even though we have some kickers—are one hundred per cent behind the board.

For another thing, it is easy for me as a farmer to say that I should have this, that I should have that and that I should have something else; but it would be much harder for me as a farmer if I were given the responsibility to go out and get it. I think that people throughout this country agree with me that in the person of the Minister of Trade and Commerce (Mr. Howe) we have the best "getter" handling our wheat problems at the present time. I hope that he will not take too seriously some of the criticism that is being levelled at him. I agree that we should get the most that we can for our wheat, but I also agree that we are being well served by those who are at present handling the western wheat crop.

There is one other matter I wish to mention, and I have discussed it before. It is something which my people, consisting mostly of farmers and small businessmen, have asked me to bring up for consideration in the House of Commons. I sympathize completely with the Minister of National Revenue (Mr. McCann) in the task that he has before him because nobody can be popular and collect taxes. I also want to put one thing on the record, and that is that the farmers of Saskatchewan do not mind paying taxes. When the farmers of Saskatchewan know that their tax money is being spent in the efficient way it is being spent by this government, there is on their part no more reticence to pay taxes than there is on the part of any other group in this country. None of us likes to pay taxes. However, there is no greater reticence on the part of the farmers of Saskatchewan to pay their fair share of what is required to carry out our national responsibility than there is on the part of any other group in Canada.

But there is one matter which I should like to bring to the attention of the Minister of National Revenue and it is not a criticism of him. It is merely a wish that some sort of system could be evolved so that these people might pay their fair share without having to go through this business of having to keep records. A farmer must keep a certain number of records in order to know where he stands; but, on a small farm, to keep the detailed records that are required properly to make out an income tax return involves a tremendous amount of work and, I might say, annoyance on the part of the farmer and the small businessman. I strongly urge that some formula be worked out—possibly a production tax or some other method of assessment—whereby those people could pay their fair share of the money that they need to pay without having to go into this business of trying to be farmers and accountants all at the same time.

There is only one other matter which I should like to discuss, and it should interest my Social Credit friends. I lived in Calgary when the founder of that party was operating at his peak and when his government was elected in Alberta. He was absolutely insistent that the credit of the country be controlled by the people of the country. He was not the only one who felt that way about the matter. As a result a Liberal government has set up the central bank, and the central bank has, within its powers, that of bolstering credit, if credit needs to be bolstered, or of drawing in credit if a boom or something of that kind is going too wild in this country.

Mr. Hansell: Mr. Speaker, did I understand the hon. member to say that the Liberal government instituted the central Bank of Canada? I think he is wrong there.

Mr. Ross (Souris): He is dreaming a bit.

Mr. Hansell: I think it was Mr. Bennett's regime which did that.

Mr. Ross (Souris): Also the Canadian wheat board.

Mr. Larson: In any event, the central bank is now operating. If Mr. Bennett did it, all the more credit to Mr. Bennett. Anyway, that institution has been operating, as has been the farm improvement loan system. The people in my part of the country are extremely happy with the farm improvement loan system. The businessmen and the farmers are happy with it. The farmers can get the equipment they need under these guaranteed loans and the businessmen can get paid for the goods which they supply. It is one of the most beneficial measures in our part of the country, and I wish to compliment the government on the operation of this farm improvement loan system.

As we go along we hear—and we are going to hear more—about the dissatisfaction among the people of Canada. When the time comes for the people of Canada to decide, I am sure they are going to say that they have done very well. As a matter of fact, in the words of the popular song-writer, I think they are going to feel that they have never had it so good.

(Translation):

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, in the course of the few remarks I wish to offer, I should like to congratulate the hon. member who moved the address in reply to the speech from the throne (Mr. Deslieres), as well as the hon. member who seconded the motion (Mr. Schneider).

Everybody here knows that it is never easy for a member to make his maiden speech in this house. These two hon. gentlemen, nevertheless, have acquitted themselves of this task very well. I wish to assure you, though, that I do not share all the ideas expressed by these gentlemen, for reasons which I intend to acquaint you with very shortly.

(Text):

Mr. Speaker, we are told—and there are signs aplenty of it—that this House of Commons assembled now for the seventh session of the twenty-first parliament has assembled for its final session. I think we may welcome that fact because, with the end of this parliament there will end, I think, the worst situation that has existed in the House of Commons since confederation.

An hon. Member: Be careful.

Mr. Fleming: In the course of the life of this parliament extending over the past three and a half years we have witnessed a decline in the position of the private member on the government side—yes, an end of all pretence of independence; and as to the government, we have seen them waxing ever more and more arrogant, smug and stiff-necked. Bureaucracy is still written all over their attitudes; and if evidences of repentance are to be forthcoming now, assuredly they come too late to be convincing.

I shall have some observations to make on some of the speeches which have been contributed to this debate, particularly that contributed by the Prime Minister (Mr. St. Laurent). But I wish to say this, and say it fairly and frankly, that the long speech which the Prime Minister (Mr. St. Laurent)

delivered in this house on Monday is I think by far the weakest speech that any of us ever heard him deliver.

I hope there will be an opportunity to examine some of the things that the Prime Minister had to say in trying to defend the action of his government in levying exorbitant and extortionate taxation and defending those enormous expenditures, and at the same time, after a speech of two and a quarter hours, still found it possible to be utterly silent on two matters that had engaged the attention of the Leader of the Opposition (Mr. Drew) at some length in his speech, namely, the policy of the government on television, and the matter of health insurance. It certainly was not for lack of time that the Prime Minister did not say a word about either of those subjects. The oversight could not have been unintentional; it can only be inferred, Mr. Speaker, that the Prime Minister ran away from these two subjects.

In 1949 we saw this house assemble. The government, with the largest majority in this house that any government has ever had since confederation, had unrivalled opportunities to solve all the problems of the country. What do we find three and a half years later? We find, sir, that the problems facing this country are greater by far than they were in 1949. This great opportunity that was given to the government to address itself effectively and courageously to meeting Canadian problems has been wasted by this government. These past three and a half years will go down in history as the wasted years. And now we are told that this government is to ask for another chance. In the face of a record like that, of wasted years and lost opportunities, Mr. Speaker, I am satisfied the people of this country will think very carefully before giving another chance to this government to perpetrate another failure.

Sir, the subject of taxation may well engage the attention of this house, because this country is suffering—and that means the vast majority of Canadians in every walk of life—from crushing taxation at the hands of a government that seems to care very little about the burdens that they are imposing upon the people. You see that cavalier attitude reflected in the speech of the Prime Minister on Monday when he said: "I do not think there has been any overtaxation." That is the statement of the Prime Minister, and I presume that is the position upon which his followers are prepared to face the electors, that there has been no overtaxation. Is that not reminiscent of the words used by the Prime Minister in this house on March 6 last, when he attempted to answer the charge of the Leader of the Opposition that, as revenues and expenditures for the current year then stood, the government had overtaxed every Canadian family—not just taxed, overtaxed—by the sum of $250. The Prime Minister warmed to his task and defended that rate of overtaxation, because he said it was a good thing for the Canadian people that they should be relieved of that surplus purchasing power.

It was a good thing for the Canadian people, so ran his words and his thought, to relieve them of that embarrassing surplus purchasing power. Well, relieve the Canadian people of that surplus purchasing power the government certainly did, and apparently they are quite unrepentant after having deprived the Canadian people of their earnings at a time when the cost of living was high, at a time when most Canadian families were having very great difficulty in making ends meet. The Prime Minister found satisfaction in the extent to which the people were relieved of their means.

And then, of course, while I do not wish to spend too long on the hon. member for Bonaventure (Mr. Arsenault), in his very interesting speech last evening, displaying all the helter-skelter zeal of the political convert, he spent no less than half an hour endeavouring to prove that a reduction in taxation is impossible without, so he intimated, following the communist line.

I say in all seriousness, Mr. Speaker, let us have more of these speeches, of the kind made by the Prime Minister when he said that there has been no overtaxation, more of the kind contributed by the hon. member for Bonaventure last evening, because certainly these hon. gentlemen, when the budget comes down in March, are going to have to eat their words; otherwise, it is going to be a very different kind of budget from the one that the same Minister of Finance (Mr. Abbott) introduced in 1949 to meet the political exigencies of the Liberal machine.

Before anybody pays too much attention to the views of the two hon. gentlemen I have mentioned, I should like to put alongside them the comments upon the rates of taxation in this country which have appeared in the columns of two very eminent newspapers. I mention first of all *Le Devoir,* which on February 18 last said this:

> Les impôts règlent l'activité économique d'un pays. Quand les impôts deviennent excessifs, ils tuent l'esprit d'initiative et le commerce aussi sûrement que les détruit le socialisme.

If I may attempt a free translation, Mr. Speaker, this is what I would offer:

Taxes regulate the economic activity of a country. When taxes become excessive they kill the spirit of initiative and trade as surely as socialism destroys it.

Then on the same day in the very eminent *L'Action Catholique* the following statement appeared, and I invite my hon. and effusive friend from Montmagny-L'Islet to listen to this.

Mr. Lesage: I read it.

Mr. Fleming: The quotation is as follows:

Le gouvernement fédéral saigne le contribuable canadien à blanc.

If I may offer a free translation of that statement, Mr. Speaker, it is this:

The federal government is bleeding the Canadian taxpayer white.

When hon. gentlemen opposite say that those of us who are demanding an end to this crushing overtaxation are following the communist line, I wonder what they have to say when responsible newspapers like *L'Action Catholique* say precisely the same thing, namely, that the Canadian government is bleeding the Canadian taxpayer white.

Mr. Lesage: It does not say it is overtaxed.

Some hon. Members: Oh, oh.

Mr. Fleming: Mr. Speaker, I am sure you are strained to follow the hon. member for Montmagny-L'Islet in that rather nice distinction he has drawn. He says that there is a difference between overtaxation on the one hand, and bleeding the Canadian taxpayer white on the other. Well, let him have his choice. The Canadian taxpayer is being bled; his blood is running fast.

The story does not end there, Mr. Speaker. We have hon. members opposite saying in effect that the surpluses are so wonderful, and asking, Are we not glad we have them? One would have thought that it was evidence of supreme achievement when the Minister of Finance, by these extortionate rates of taxation that he has amassed with the assistance of the hon. member for Montmagny-L'Islet and others, has reported this evidence of gross overtaxation at the end of the year. In measuring these unparalleled blunders in national financing we will not be too ready, I am sure, to accept statements to the effect that last year's surplus was, as we were told at one stage, $356 million, at another stage some $250 million. We will rather go back and recall that before the Minister of Finance started to put $100 million in one pocket in the consolidated revenue fund, and another $100 million somewhere else, and then engage in a good deal of heavy expenditure in the closing days of the fiscal year in order to relieve himself of the embarrassment of that huge surplus, he had about $900 million surplus which was the true measure of the government's excessive taxation last year.

It was with that alternative in mind, and other aspects of the budget that was introduced by the Minister of Finance (Mr. Abbott) last spring, that another very eminent newspaper in this country made comment. *Le Soleil,* in its columns of April 12 last said this:

La presse française du Québec a accueilli avec une impression teintée de désappointement le budget de M. Abbott. Aucun journal ne lui manifeste de l'enthousiasme. La note générale est celle d'une déception.

If I may offer a free translation, Mr. Speaker, it would run like this: that the French press of Quebec greeted the budget of Mr. Abbott with a reception tinged with disappointment. No newspaper manifests any enthusiasm for it; the general note is that of a deception. Yet in the face of that very pertinent observation on this government's taxation policies we hear hon. gentlemen opposite rising now and saying with great gusto, and some evidence that they are whistling to keep up their courage, that it is impossible for the Minister of Finance to reduce taxes. Well, I think, Mr. Speaker, before we are finished with this debate ways in which the Minister of Finance could reduce taxes, if there were, on the part of hon. gentlemen opposite, any will to reduce unnecessary expenditures and to eliminate extravagance, will be fully dealt with.

But let us look now to see what the Minister of Finance himself has to say on this interesting subject. We find that he has not been silent between the sessions. He made a tour of the maritime provinces and a tour of the west. His speech of September 23 is reported thus in the Winnipeg *Free Press* of September 30. He says:

Taxes are high these days in Canada.

As if he had to go all the way to Winnipeg to tell the people that! And then he continues:

Are taxes too high? This, of course, is simply another way of asking, "Are we spending too much?"

I interject to say that I think there is a good deal to be said for his interpretation. He continues:

You can take my word for it that the official opposition in parliament these days seem to think that we are spending too much.

Well, I can assure the hon. gentleman that he spoke with complete accuracy when he said the official opposition in parliament these days seem to think that the government is spending too much. Nothing could be more certain.

Then he continued on his merry way. In Charlottetown on October 6 he made a speech in which he is reported to have spoken to this effect, that he would be happy if he could break even on this year's budget, but he held out the possibility of tax cuts if Canada's production keeps rising.

Mr. Speaker, we have it both ways there. The man who has delivered these excessive budgets since 1949 said he would be happy to break even on this year's federal budget; but then this member of the cabinet who will be called to the rescue of the Liberal party when he delivers his budget speech next March rose to the occasion and said that he held out the possibility of tax cuts, if Canada's production keeps rising.

Then he moved on to Vancouver. In the Vancouver *Sun* of October 20 the minister is reported to this effect:

> Canadians may look forward to federal tax cuts but certainly not in next year's budget, finance minister Douglas Abbott said here today.

Then he is reported to have said, during the course of a 6,000-word address to the Vancouver board of trade:

> To those who think the federal government will enjoy a fat surplus at the end of its fiscal year, Mr. Abbott said, "I shall be happy if we break even."

Then his interview with the press before he made his speech is reported in this way by the Vancouver *Sun*:

> Mr. Abbott said that this goal—

That is, the goal of improving our standard of living.

> —should be reached and taxes cut—

You will note, Mr. Speaker, he is saying that taxes ought to be cut. Then he says this:

> —but there is little chance of its attainment by next March when the 1953 budget will be brought down.

Then he is reported in the Montreal *Gazette* of October 21 as having said this in his Vancouver speech:

> We can confidently expect that increased production in Canada will make taxation less, despite continuing expenditures for defence and social welfare.
>
> But Mr. Abbott added in a later interview that there is "little chance" of tax cuts in the next budget.

I am sure those words of the minister must have chilled the blood of hon. gentlemen opposite, when he intimated that there would be no tax cuts in his next budget, to be introduced next March. Because the one hope that is nourishing the political lives of hon. gentlemen opposite has been that in his 1953 budget the minister would repeat the rabbit act of 1949 when, after announcing for several previous years that taxation reductions were impossible, somehow he trotted out substantial reductions in taxation on the eve of the election to save their political hides for the occasion.

Now at least we have the Minister of Finance saying in October that hon. gentlemen opposite, as well as the Canadian people, need not expect any taxation reductions in the next year. Well, I am sure hon. gentlemen opposite will have to do some whistling, from now on, to keep up their failing and flagging spirits.

I mentioned that the Minister of Finance had said that we of the official opposition had been saying the government is spending too much. Of course we say that. We know very well how much this government likes to spend money. This government has the idea that it helps to make votes for itself by spending money. That is one reason they are so anxious to spend so much money before the next election. How otherwise can anyone possibly attribute to sane people these reckless expenditures in which the government is indulging at the present time?

In a book I read recently I found an interesting paragraph. This is a book containing several lectures by Bertrand de Jouvenel. It is entitled "The Ethics of Redistribution", and at page 73 contains this paragraph:

> The more one considers the matter, the clearer it becomes that redistribution is in effect far less a redistribution of free income from the richer to the poorer, as we imagined, than a redistribution of power from the individual to the state.

Whatever one's views may be on the observations of the author, it is clear that the spending of money on the part of a government does mean power, and the view of this government is that it does mean votes. I well recall a conversation I had with one of the ministers some six years ago, when I was commenting on wastefulness in duplicated services and expenditures on the part of the dominion and the provinces. I said to him, with regard to one expenditure in particular, "Would it not be much more sensible if the dominion and the provinces got together and shared the expenditures, so the money could be devoted to its purpose through the provinces?" With a knowing smile he said, "Oh, no; that would give"—and he mentioned by name the premier of the province in which he resided—"a chance to make votes".

Well, you see the thought of this government is that if they spend money they make votes; and that is the reason, and the only reason, you see these reckless expenditures being made at the present time. Here we have this record, one which would shock people who were not already accustomed to shocks at the hands of a spendthrift and mismanaging government.

After having already purchased 1,153,155 neckties, the government in the first half of October spent $32,638 on more neckties. What contribution are those neckties going to make toward resisting aggression in the world? I understood that the whole basis on which the house was called upon to vote something like $2,100 million for national defence this year was that it would have the effect, first, of deterring aggression and, second, if unhappily aggression should come it would enable us to bear our fair share of the burden of resisting aggression successfully. What important functions are these neckties going to serve in resisting aggression or overcoming aggression? As the hon. member for Annapolis-Kings (Mr. Nowlan) said in a recent radio broadcast, it may be that these neckties are to be used to bind hand and foot every aggressor who might set foot on Canadian soil.

In the eleven months up to February 29 last a total of 1,304,407 pairs of men's shoes had been purchased and orders are still being placed. We were told in a return that in the thirteen months up to April 30 last 117,800 pairs of women's shoes were purchased. I do not intend to take the time to refer again to serving forks except to comment that the scaling down of the orders for serving forks from 63,500 to 14,500 is attributable to the vigilance of the official opposition.

There are six full-time officers and 900 officers and other ranks in the reserve in the Canadian Women's Army Corps. In order to keep off the raindrops a total of 15,000 raincoats have been purchased for them.

Then there is the $839,903 which has been spent on carpets and rugs for the armed forces. As my leader pointed out, that would provide a square yard of rug or carpet for every two members of the armed forces on active service. It is quite evident that the government is showing very great concern about the purchases of rugs, carpets, neckties, raincoats and shoes.

There is no possible way of explaining or justifying expenditures on this scale except that they are being made now with a conscious view toward making friends for this government.

Mr. McIvor: It does not need them.

Mr. Fleming: The hon. member says "it does not need them." If that is so, why does he not get up in the house and tell the government to eliminate these wasteful and extravagant expenditures?

So it goes; and this story of reckless extravagance does not end there. Yesterday my colleague, the hon. member for Broadview (Mr. Hees), had something to say about the shortcomings in the operations of the unemployment insurance commission. Hon. members might be surprised to know that the unemployment insurance commission of Canada is turning out screeds like this at the public expense. This is issued by the Montreal office of the unemployment insurance commission and is entitled "The Older Worker." I am glad the Minister of Labour (Mr. Gregg) is in the chamber because if he does not know that this sort of thing is being turned out, I think he ought to know and should have known before this. This is how it reads:

> In savage tribes, where skulls are thick,
> And primal passions rage,
> They have a system, sure and quick,
> To cure the blight of age.
> For when a native's youth has fled,
> And age has sapped his vim,
> They simply knock him on the head,
> And put an end to him.
> But we in our enlightened age,
> Are built of nobler stuff,
> And so we look with scorn and rage,
> On deeds so harsh and rough.
> And when a man is old and gray,
> And stooped and short of breath,
> We simply take his job away,
> And let him starve to death.

That was issued by the unemployment insurance commission of Canada at the expense of the taxpayers of this country. Yet the Prime Minister of Canada (Mr. St. Laurent) has the effrontery to stand before this house and say that there is no overtaxation. I tell you that there is shameful overtaxation, there is shameful extravagance in the way this government is throwing around the hard-earned money of the Canadian taxpayer.

Mr. Cote (Verdun-La Salle): I wonder if my hon. friend would permit me to interject at this stage. He has referred to the Montreal office of the unemployment insurance commission.

Mr. Fleming: Is this a question?

Mr. Cote (Verdun-La Salle): Yes. Has the hon. member compared the document which he has just read with the useful and worthy propaganda which has been issued by the Montreal office in connection with handicapped workers? Montreal has about the best record in Canada for the re-establishment of handicapped workers.

Mr. Fleming: I trust that my time will not be docked for this interpolation which bears only a slight resemblance to a question. I esteem the hon. gentleman as one of my closest personal friends in this house, but may I say to him that if the Montreal office of the unemployment insurance commission is doing its best to redeem itself for having turned out nonsense like this at the expense of the taxpayer I am glad to know it. But I do hold them responsible and I hold the

government responsible for the profligate waste of the taxpayers' money on rubbish such as this.

(Translation):

Mr. LaCroix: I understand that the hon. member speaks very good French. Would he permit a question? What proof has he that this document was issued by the Montreal office of the unemployment insurance commission or that the document given to him is not a fake?

Mr. Fleming: It gives me great pleasure to show the hon. member the document which I have just read. As a matter of fact, Mr. Speaker, I would like very much to show it to every member in this house.

Mr. Cote (Verdun-La Salle): I am anxious to see it.

Mr. Fleming: With pleasure.

(Text):

What is the government doing about all this? During the course of his speech on Monday the Prime Minister wrung his hands in the face of accusations and proof of prodigality in the expenditure of the taxpayers' money. He said that we should not hold them responsible for it. When the railway siding up at Petawawa disappeared he said we could not hold them responsible because they were carrying out some prosecutions. He asked us if we had been reading the papers lately. I happen to have been reading the papers about the prosecutions and I am wondering why the rest of them have not been proceeded with. There are others who have been charged, but as yet their trials have not been held.

Where is the Currie report on thefts? We have not heard anything about that. Mr. Currie went overseas at the time of his appointment but it may be that others have been carrying on the work in his absence. Where is that report? Speaking of these thefts the Prime Minister in a most extraordinary excursion said that they had followed up and prosecuted and then he said in effect, "What more could anybody do?"

If the government would exhibit a little more concern over these wasteful expenditures I am quite satisfied that there would be more vigilance throughout the government service. How can you expect vigilance to be exercised, in the Department of National Defence for example, when apparently the minister at the head of the department and the deputy minister were not aware of these extravagant expenditures on clothing? The Prime Minister said in effect, "Well, it might have been different if the minister of the department or the deputy minister of the department had seen these orders before they went out." He left us with the clear understanding that the minister and the deputy minister did not know anything about these orders before they went out. These orders, Mr. Speaker, have been going out month after month now over a period of practically two years. Are we to be told now by the Prime Minister that the minister and the deputy minister of that department did not know what kind of orders were being issued? That is the impression the Prime Minister gave the house, and he invited the house to excuse the minister and the deputy on that account.

We want no further proof of the incompetence of the minister in charge of that department, or that the government spending machine has been running wild in that department as well as others, than the fact that now, after so much of the damage has been done, the government suddenly decides to appoint an Associate Minister of National Defence. For what purpose? Well, after the generous tributes heaped upon the head of the Minister of National Defence (Mr. Claxton) last Monday by the Prime Minister it certainly could not be with a view to exercising supervision over his general activities. Oh no! Is it possible that now the door is to be locked on these profligate contracts after the horse has been stolen? It is a fine time now for the government to wake up. Where has the government been all this time?

Mr. Fraser: Asleep.

Mr. Fleming: The fact of the matter is, as we all well know, that the government spending machine has been running wild. It has not been checked by the ministers opposite, and today, while many of them are running about the country making political speeches, these contracts are being handed out and the money of the taxpayers of this country squandered on quite unnecessary expenditures. It is about time these hon. gentlemen stayed on the job and did the job that the country expects of them and that they are paid to do.

There are many things I would have wished to say today, but time does not permit. I wish to add my voice in support of the position taken by my leader when he drew attention in his speech on Monday to the necessity for some concerted effort being made now in the direction of the allocation of assured sources of tax revenue to the governments of this country at the various levels. It is no answer for the Prime Minister to say that the provinces are free to tax in fields within their constitutional powers even though the dominion is also there. What is the sense of talking that way? Once the dominion enters these fields, then under its present rates of taxation it certainly uses up all taxing powers. There is nothing left even in the way of bare pickings for anybody else coming into these fields.

You know so well, Mr. Speaker, how the federal government has been extending its power and in fact has been remaking the constitutional set-up of the country without any amendment of the constitution simply by taking unto itself more and more taxing powers. In 1939 the dominion took 51 per cent of the tax dollar in Canada. In 1951, just twelve years later, it was taking 77 per cent of the tax dollar.

Mr. Lesage: Will the hon. member permit a question?

Mr. Fleming: I am sorry, but my time is almost up; I have not time now. In 1940 the tax revenues of the municipalities were $270 million, those of the provinces $355 million and of the dominion $562 million. In 1951 the estimated tax revenues of the municipalities were $600 million, of the provinces $910 million and of the dominion $4 billion. In the face of that situation, hon. members know how the provinces and the municipalities today are curtailing their efforts to meet the needs of their people and to fulfil what is expected of them. In the banking and commerce committee last spring we found that probably the greatest obstacle to increased housing construction today is the fact that municipalities in the areas where houses are most needed at the present time are without the means to provide municipal services. They cannot do it on their present sources of revenue.

What is being done? The provinces have gone as far as they can go, and I think this is true of all of them, in trying to assist municipalities. Yet the federal government, although its responsibility with respect to the housing shortage in Canada is the first and primary responsibility, far greater than that of the provinces and municipalities, nevertheless refuses—

An hon. Member: No, no.

Mr. Fleming: —to meet this need in any form even in the light of the fact that it is curtailing housing construction in Canada today. The same applies to health services. These are a very heavy burden on our provinces and municipalities today. The plight of the municipalities is indeed serious. Therefore I should have thought the house would welcome the contention of the Leader of the Opposition (Mr. Drew) that it is abundantly necessary now that there should be dominion-provincial conferences with a view to arriving at an understanding among the various levels of government, including the municipalities, so governments will know exactly what their sources of revenue are and to pay the shot, the government's answer is that they will allow private enterprise to so there will be a more resolute attempt made to meet the needs of other levels of government and in particular the municipalities.

An hon. Member: What about the gasoline tax?

Mr. Fleming: This is a major problem and the government is apparently not prepared to do anything to meet it.

Finally, Mr. Speaker, because I see my time is almost up—

An hon. Member: It should have been up sooner.

Mr. Fleming: —I should like to say something with respect to the subject of television and the Canadian Broadcasting Corporation, a subject concerning which I hope I shall have the opportunity to say more at a later stage of the session.

If there comes about at long last the elimination of that $2.50 nuisance tax, namely the fee on radio receiving sets, the people of Canada will be able to thank the official opposition for the fight it has waged without abatement for more than a decade for the elimination of that nuisance tax.

I make this observation on television. After having taken unto itself in a most bureaucratic and paternalistic manner all control over television and in effect preventing the development of television in Canada so that this country at present, compared with the stage reached in the United Kingdom and the United States, is in a most primitive stage of development thanks to government policy and nothing else, what has been said in the throne speech by the government in offering to let private enterprise in on some of the areas which the C.B.C. is not prepared to enter is nothing but throwing to private enterprise a bone from which all meat and nourishment have been completely removed.

It is not because there has been any unwillingness or lack of enterprise in this country, apart from the government, that we have not adequate development of television in Canada. Private enterprise has been waiting for years for the government to make up its mind. Some applications for television channels have been pending before the Canadian Broadcasting Corporation for more than seven years; yet the government has simply sat like a dog in a manger. It was not doing anything effective itself for the development of television and it would not let anybody else do anything. Now that they have got service established in two centres in Canada, Montreal and Toronto, and other parts of the country

are very properly complaining about the concentration of government service in these two areas while the rest of the country is helping develop in areas where there is no possible opportunity of competition for the C.B.C. It is in keeping with the bureaucratic attitude of this government that they foster monopoly. I am sure you well remember, Mr. Speaker, when you and I were members of the special committee on radio broadcasting in 1946 that in reply to a question I put to him, the chairman of the board of the Canadian Broadcasting Corporation said he thought that competition from the large privately owned radio stations had been a good thing for the Canadian Broadcasting Corporation because it helped to keep the C.B.C. on their toes. Well, Mr. Speaker, if that was true with regard to radio broadcasting in 1946, why not allow a little competition with respect to television in this year 1952?

Here is private capital and private enterprise willing to take all the risks involved if this bureaucratic government, with its mania for monopoly and bureaucracy, will not restrain the development of something for which the people of Canada are crying. Last December the number of television receiving sets in this country was estimated at 60,000. I am prepared to assume that by this time it must be 100,000. Canada has engineers and technicians and artists who are capable of helping this country lead in the development of television. The reason Canada is not leading the field is that this government is stifling and thwarting this development.

Mr. Stanley Knowles (Winnipeg North Centre): I rise to support the amendment of my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell), calling as it does upon this government to introduce at this session legislation to establish a nation-wide health insurance program, with provision for provincial participation. I may tell you, sir, that there will be several other members of this group who will speak in this debate and join in urging the government to give serious consideration to what is set forth in our amendment.

The reason we shall repeatedly return to the attack, so far as the need for health insurance is concerned, is that it is becoming quite apparent that the government of the day does not realize how important this question is to the people of Canada. The record, so far as the Liberal party is concerned, supports the statement I have just made, namely that the government does not recognize the importance of this question. How could any Liberal claim to recognize its importance in view of the fact that it has been in the platform of the Liberal party ever since 1919. Despite the fact it has been in the platform of that party for all those years, when I drew that to the attention of the Minister of National Health and Welfare (Mr. Martin) last June his reply was, yes, it is in our platform and it has been there for 33 years, but surely you do not expect us to bring it in overnight.

I remind you, sir, that on top of all the committee reports and investigations that have been made, evidence of which was placed before this house again yesterday by my colleague the hon. member for York South (Mr. Noseworthy), a year ago last June we had what we thought was a promise that there would be a special committee on health insurance during the session which met in the early part of 1952. We did not feel that another committee was necessary in view of all the inquiries that had been conducted. But despite our feeling that a committee was not necessary, we were glad to know that we were making at least that much progress. We dared to hope that the promised committee would be set up, and that it would have a result comparable to the result which followed the 1950 committee on old age security, namely that there would be legislation in this important field.

Despite what we thought was a clear-cut promise that there would be such a committee at the first session of 1952, when we met and asked when that committee was to be set up we were informed that the government had decided not to establish such a committee at that session. We are now in another session—indeed this is the third session since the one in 1951 when the promise to take at least the action of setting up a committee was suggested—and still we have no suggestion of any action by this government on the question of health insurance. I suggest, Mr. Speaker, that the record is a clear indication of the failure of the government and its supporters to realize how important this question is to the Canadian people.

I regret that the other two opposition parties in this house, in my view, despite their professed support of the principle of health insurance, are playing into the government's hands. The Progressive Conservatives, in their amendment, have asked for another inquiry into this question. If anything could be more unnecessary I do not know what it is. The information and material on the

basis of which legislation could be enacted is already abundant and complete. Our friends to the left in the Social Credit group profess support of a program of health insurance, but the other night in speaking about this matter the leader of the party, the hon. member for Peace River (Mr. Low), suggested that what was needed in relation to this question was to move gradually. They may mean by that the support which the member for Red Deer (Mr. Shaw) suggested today, but I suggest that to tell this government to set up another inquiry, as the Tories are doing, or to suggest to the members of the government that they move gradually, as the Social Crediters are doing, is to play right into the hands of the Liberals who are quite prepared to stall on this question as they have done already for 33 years.

We feel we are expressing the views of the Canadian people when we say that this is one of the important questions that should be dealt with at this session. It is not one of those questions that should be bandied about during the course of an election campaign, with the promise to set up a committee in the next parliament and perhaps take action in the parliament following that one. This is a question that calls for action at this session of parliament.

I have been referring, Mr. Speaker, to the importance of this question. We do wish we could impress upon the government what it means to the average Canadian citizen not to be able to afford the full measure of health services and health protection that modern medical science is in a position to offer, if we could only organize the financing of the cost of medical services.

According to the 1951 census figures, some of which are now coming to us, in Canada's twenty largest cities we find 27·8 per cent of the total population. In those twenty largest cities 49·8 per cent of all wage and salary earners received an annual income of less than $2,000. According to another survey made by the dominion bureau of statistics in 1947-48, it was ascertained that families in that year—I admit I am speaking about different years but one has to take these figures as he gets them and allow for any adjustments that should be made—who had incomes of $2,000 or less were able to spend on health care not more than $70 in any case. The figure ranged from $70 per year down for all those with incomes of $2,000 per year or less.

Other figures which I have obtained from the dominion bureau of statistics show that in 1950, which was in between the two years I have already mentioned, the average stay in hospital in Canada was 10·5 days, at an average cost per patient day of $8.13 or an average total hospital expense of $85.36. That is the average annual hospital bill, $85.36. Yet the survey of family income and expenditure to which I have already referred indicated that the people with incomes of $2,000 or less were able to spend on all health care, in the course of a year, only $70 or less.

I could go on and show likewise, from figures for the year 1951, that the total expenditure on health in Canada in that year made by Canadians privately was $496 million, which results in an average family expenditure of $129.50. What I ask hon. members to note is this. If the average hospital cost is $85.36 and the average total family expenditure on health per year is $129.50, what is the position of the large number of wage and salary earners who, according to the other survey to which I referred, are able to spend only $70 a year or less on all health, medical and hospital care?

Mr. Browne (St. John's West): Mr. Speaker, may I ask the hon. member a question?

Mr. Knowles: Certainly.

Mr. Browne (St. John's West): When he speaks of the average earner getting $2,000 or less, is he not failing to take into account that there may be two or three earners in the family? Does that consideration not upset his calculation?

Mr. Knowles: Mr. Speaker, I was not speaking of an average worker. Averages are often misleading. I was taking the actual fact that 49·8 per cent of the wage and salary earners in the twenty largest cities to which I referred are receiving not an average income of $2,000; rather all of that number are receiving $2,000 a year or less.

Mr. Browne (St. John's West): The question is still good.

Mr. Knowles: I think not. But even if my hon. friend wants to contend for purposes of his position, whatever it is, that there are some families in which there is more than one earner, I ask him to consider the families where there is only one earner, and that is the case in most of them. They are able to spend on all health, hospital and medical care only $70 a year or less, whereas the annual average cost for hospital care is $85.36 per family, and the average per family for medical expenses is $129.50. It simply means that there is a whole section of our population which is getting—because it cannot afford to pay for it—less of health, hospital and medical care than, on an average,

would seem to be the minimum requirement for Canadians at the present time.

Mr. Speaker, when you interpret that situation in terms of ill health, suffering, mental anguish and concern over unpaid hospital and doctors' bills, I suggest that we in Canada are submitting ourselves to a social, psychological and economic loss that common sense would dictate we should not endure.

In the course of this debate I have heard a number of hon. members comment on the large number of people who receive help from doctors despite the fact that they cannot afford to pay for it. I have heard references to many cases where doctors receive far less than would be their normal fee for the type of service they are giving, and I recognize all of that to be true. But what I ask hon. members to bear in mind is that many Canadians need medical care, the attention of doctors and hospitalization, but because they cannot afford it they do not seek it or do not ask for it, or in cases of necessity they put it off for much longer than, for the sake of their health, should be the case. What we are suggesting is that we should have a plan that is based on common sense, on organization, on pooling and sharing this problem so that all our people can get the best of medical and hospital care that is available.

This idea is not one that we alone advocate. It has been put forward, as I say, by the Liberals ever since their convention in 1919, and the library shelves contain books and periodicals which are full of arguments in support of the whole principle of health insurance. In its green book proposals to the provinces in 1945 the dominion government spelled it out very well when it said:

> Health insurance enables the cost of illness to be prepaid, so that by paying regular sums when they are well people are able to meet the costs of illness when they are ill without being financially crippled.

The government also said at that time:

> Health insurance not only enables individuals to prepay their medical costs, but does this in such a way as to secure a wide pooling of risks and distribution of costs in much the same manner as any other form of insurance.

I also hold in my hand an extremely interesting little booklet put out during the war by the wartime information board, mainly for the benefit of the armed forces. It is entitled "Canadian Affairs", volume I, No. 21, November 15, 1944. Its subject was "Canada Plans Security". It was written by a gentleman who was then not a civil servant but who is now one of the top and most esteemed civil servants in this country, namely Dr. George F. Davidson, deputy minister of welfare in the Department of National Health and Welfare. In this pamphlet, Dr. Davidson says:

> There are still gaps in our social security program. Chief among these concerns the question of illness. When sickness strikes, it strikes with a two-edged sword. Not only does the workman lose his pay during the period he is away from work—worse than that, he has to bear the crushing blow of medical, hospital, and other expenses, running sometimes into hundreds of dollars.

He then goes on to say that health insurance is the remedy. Then he develops certain details, gives us the history of the study that has been given to health insurance, and reminds us of the proposals that have been made. Then toward the end of the pamphlet, having summed up various aspects of social security, including a health insurance program, which he felt were in the cards so far as the future was concerned, this is what he said under the heading of "What It All Costs":

> But not all of this represents additional cost. We are meeting now from our own individual resources, as best we can, the heavy medical and hospital expenses that we encounter from time to time. We are carrying now in large part the cost of our own unemployment, eating up our savings when we fall out of work. We are paying now, to whatever extent we can, through private insurance plans and through savings of one kind or another, for the possibility of retirement or death.
>
> So, in large part, government intervention to provide these social schemes would mean we would pay by taxes and contributions for what we have been trying—unsuccessfully on the whole—to purchase privately.

The concluding paragraph of this extremely interesting pamphlet commences with these very telling words:

> Canada, in short, can afford to provide security for her people. She cannot afford not to provide it.

Similarly, Mr. Speaker, when the special committee on old age security met in 1950, it found it impossible not to deal to some extent with the question of health insurance, for it as well as other matters was related to the whole question of old age security. Despite the fact that this matter was outside of our terms of reference, our report which was tabled in the House of Commons on June 28, 1950 dealt—briefly, it is true but nevertheless it dealt with it—with the question of health insurance; and this is what it said in part:

> It has been estimated, however, that the over-all cost of a comprehensive system of health insurance would probably be not less than $300 million annually, although it must be added that a large proportion of such an amount would represent not a new burden on the people of Canada, but merely a rechannelling of existing expenditures on various forms of health care.

That in the main, Mr. Speaker, is what we are advocating when we put forward the claim for a program of health insurance. It is not in the main something new so far as health services are concerned, although it is true

that a great extension is needed. What we are asking is that there be a rechannelling of our expenditures, a pooling of the burden of health costs so that on a common-sense basis all our Canadian people can get the care they need and that medical science and our medical people are able in this modern age to provide.

It has already been indicated—indeed it was by the hon. member for York South yesterday—what illness means in terms of lost man hours at work. The elimination of that economic loss would have to be set off against any additional cost that health insurance might involve. And I suggest that as a modern civilization that knows how to span the world, as we do, by amazing means of transportation and communication, we are just being stupid if we do not organize the financing of our health services so that all our Canadian people can have the benefit of the best health services that are available today. I hope that the other members on the opposition side of the house will join with us as this session proceeds in pressing upon the government the urgency of this matter.

It is not something to be the subject of a further inquiry, as the official opposition suggests. It is not something to be approached gradually, as the leader of the Social Credit party suggests. It has been going on gradually for a third of a century or more. It is something that is of concern to Canadians now; it is something that calls for legislation at this particular session. While we wait for these further inquiries that the Tories here suggest; while we move gradually as the Social Credit leader would suggest, people are being sick and are not getting the attention they need; people are dying unnecessarily; people are burdened with the costs of medical and hospital bills that are around their necks as long as they live. And not only that; Canada as a whole suffers a great loss because we do not make it possible for all that medical science knows to be brought to bear upon the life and the health of our Canadian people.

I hope that with greater urgency being pressed upon the government by the entire opposition, the government will realize that this is not a question on which they can play politics any longer, that they can put off until after the next election. It is a question for action at this session of parliament; and if the members of the cabinet are not prepared, on their own initiative, to do something about it, I hope the private members on the Liberal side of the house, in their caucuses behind closed doors, will press upon the government that this is one subject about which they must do something at this session of parliament.

I wish to say a few words about another question that comes under the heading of social security, namely old age security. It seems to be a matter of pride on the part of supporters of the Liberal government that at long last they responded to our demands and the pressure of public opinion in this country for the removal of the means test from the old age pension—and it was a splendid move. But those same Liberals seem to be quite satisfied with the fact that the pension being paid to our citizens 70 years of age and over is only $40 a month. Surely, Mr. Speaker, it does not need to be argued at all that that amount is hopelessly and woefully inadequate, and that if we do accept the principles of social security that were outlined in this booklet by Dr. Davidson from which I quoted a few moments ago, the time has come to increase the amount of the old age security payment to a figure more commensurate with today's cost of living. I would suggest in responsible terms that it should be not less than $60 a month. There are many who feel —and personally I share that feeling—that the amount should be even higher than that.

Similarly, Mr. Speaker, it seems to me that with the tendency in industry generally to retire people at the age of 65, we are being most unfair to our people to leave that gap between 65 and 70 with the means test. Thus another change that should be made is that the means test should be taken off at age 65.

Similarly, Mr. Speaker, I feel—and I was glad to note one of the new Liberal members of the house the other day expressing this view as well—the time has come to remove completely the means test from the pension paid to our blind citizens. Surely with that special handicap which these people have we should do our best to make up for it slightly by giving them a pension not on the basis of means but as a matter of right as some compensation which their fellow Canadians feel they should have.

It is perfectly proper for anyone who listens to what I am saying, calling as I am for extensions in the field of social security—health and old age security, removal of the means test for the blind, and so on—to raise questions about the cost. And that of course is a very popular reply on the part of the Prime Minister (Mr. St. Laurent) and on the part of government supporters; that it is all very well provided that we are prepared to pay for it. I suggest, Mr. Speaker, that when we are considering this whole question of the cost of social security benefits what we

should do is look at them in a proper perspective. We should relate them to the total productive capacity of the country. The Prime Minister, the Minister of Finance (Mr. Abbott), the Minister of National Health and Welfare (Mr. Martin), and others on the government side like to create the impression that a disproportionately large amount of our national income is going into social security. We are told that in round figures our budget is something over $4 billion. We are told that a little over half that, $2 billion, is for national defence, and that nearly half of the other half, or nearly one-quarter of the total of our national budget, is going into social security.

There came to my desk a few days ago, as no doubt there came to the desks of all hon. members, a further document from the research division of the Department of National Health and Welfare. This one is social security series memorandum No. 14. I congratulate this department on the tremendous amount of very valuable research they have done in all aspects of social security. But this one seems to be designed to support the contention of government supporters that too large a proportion of our money is going into social security or at least as much as the country can stand. For example, to take the extreme case that is built up in this memorandum, I find that on page 15 reference is made to the fiscal year ended March 31, 1951, and to the total expenditures of the federal government, of all provincial governments and of all municipalities, and then they are added up. As against that total there is set the total amount spent at each of these levels in health and social welfare expenditures, and they are added up, and then the one total is set against the other in terms of a percentage. On that basis we are told that for the fiscal year that ended March 31, 1951, the total amount of health and social welfare expenditures was $1,058,738,000. This was out of total expenditures by all levels of government of $4,858,305,000. In other words the argument, or the case, is set before us in these terms: 21·8 per cent of the total of the revenues of all governments was spent on health and social welfare expenditures.

Before I make the main comment I want to make on that I should like to point out that included in these health and social welfare expenditures are not only all expenditures that could be considered as such by the provincial and municipal governments, but in the case of the federal government there are included old age pensions, pensions for the blind, family allowances, unemployment insurance benefits, veterans' pensions, war veterans' allowances, hospital and other allowances for veterans, and even prairie farm emergency fund payments. Thus one must not think that that figure I have given of over a billion dollars relates to the more exclusive forms of social security as we usually understand them.

I shall come back to that in a moment. But even before I do, what it seems to me this house should realize is that while this total sum, this large sum of $1,058,738,000 that the department was able to build up, is 21·8 per cent of the revenues of the three levels of government, it is only 4·9 per cent of the gross national product for the year for which these figures were prepared.

I believe a society such as ours that believes in social security, that believes in bearing one another's burdens, that believes in the whole idea of community responsibility and of being civilized, is not going too far and indeed, is not going far enough when it devotes—even at the highest figure, the department can build up—only 4·9 per cent of its gross national product on these various health and welfare expenditures.

Those are the figures, of course, for the year ended March 31, 1951. We are now in a different year, and in the meantime we have had a change in the old age program. Hence those figures will be different when they come out for another year. But I am satisfied that the increase in the amount spent on these various items will not represent any higher percentage of the gross national product because the gross national product is going up. The figure for that earlier year was $21,241 million. The Minister of Finance (Mr. Abbott) has estimated that for this fiscal year it will be $22,500 million; so the percentage will probably be no greater when we have the comparable report for the current fiscal year.

But with respect to the current fiscal year the estimates indicate that we have voted $322 million for old age security. That is one of the figures ministers use to build up the large sum they say we are spending on social security, and they give it to us in terms of its percentage of the national revenue. But I submit that a realistic perspective is to look at it in terms of the gross national product, of the total wealth we are producing in this country.

The Minister of Finance says that this year our gross national product will be $22,500 million. Well, the $322 million which we allocate for old age security is only 1·4 per cent of that gross national product. And yet our senior citizens, 70 years of age and over, number about 5 per cent of the population. That, in straightforward and realistic terms, is what we are doing. We are allocating 1·4 per cent of the gross national product to 5

per cent of the citizens of this country. If there were acceptance of my suggestion that it should be increased to not less than $60 per month, the percentage would be increased only 2·1 per cent of the gross national product for 5 per cent of the population of the country. I suggest to you, Mr. Speaker, therefore, that a suggestion of that kind is not at all out of line. It is not as far as our older citizens might ask us to go; surely we should not fail to go at least that far.

Similarly, if one built up the other items for which I have argued—the removal of the means test after the age of 65, the removal of the means test so far as blind pensioners are concerned, a health insurance program, and so on—all these put together would still leave the total amount we would spend on health and social welfare at a figure not much over five or six per cent of the gross national product or of the total wealth we produce in this country.

I suggest that if we were to spend that amount of money, particularly that portion of it which would be in a health insurance program, the saving in the loss of man-days of work and the general improvement that we would create in the lives of our people could result in a comparable increase in the gross national product. I say that what we are proposing is not that some Santa Claus should hand things out; rather, what we are proposing is just plain, ordinary common sense, and I am satisfied that is the way the people of this country feel.

I hope the proposals we are making will be considered by the government in that light, that it will realize we are not asking that the Canadian people be given something for nothing, but rather that we are simply asking that the people of the country who produce the nation's wealth, who are responsible for our huge gross national product, get back a reasonable share of that gross national product, and that they get part of that reasonable proportion or share in the form of social security and in the form of protection of their health so they can enjoy life as it should be possible in Canada at this time.

Before my time comes to a close may I touch briefly on two or three other subjects. I join wholeheartedly with those who have called upon the government to take action at this session in connection with the means test as it applies to the War Veterans Allowance Act. Hon. members know that last session, when the act was amended, some of us were not at all satisfied with the income ceilings that were retained in the act, which permit in most cases only $10 a month of other income to a burnt-out pensioner, be he single or married.

[Mr. Knowles.]

It is not without significance that the Canadian Legion so soon after that legislation was passed has again launched a campaign, which I support, calling for an increase in the permissible income ceiling. Everyone knows how responsible that body is, and I suggest real attention should be paid by the government to the fact that they are back already insisting that something be done about the means test under the War Veterans Allowance Act. For my part, I think the allowance should have been $60 and $120 for single and married persons respectively, as the Legion asked. But at least action should be taken at this session to raise substantially the permissible income ceiling provided in the act.

Similarly I still feel, and hon. members have heard me mention this repeatedly on the floor of the house, that something should be done for our retired civil servants, particularly those in the lower income brackets. During the years I have been urging the government to take action on this matter, other governments have taken action. In the United States they have passed a special provision for increasing on a percentage basis, within certain brackets, the pensions of those already retired. Recently there has been a second pensions increase bill in the United Kingdom, raising the pensions of those already retired. There has been recognition by those governments that while those people were retired on the pension rates provided by the law at the time they retired, conditions over which the pensioners had no control have increased their cost of living, and that they are entitled to a better break.

I hope our Canadian retired civil servants will be given consideration at this session. I could hope that the hon. member for Fort William (Mr. McIvor) was not off the beam yesterday, as I fear he was, when he expressed the view that in the speech from the throne he saw that something was going to be done for them. I am afraid the hon. member had not read it carefully, because the speech from the throne says only that the Civil Service Superannuation Act is to be amended. That affects only those who are still in the service. I contend that something must also be done for those already retired, particularly those in the lower brackets.

Before this session gets along much farther there will be opportunity for some of us to call to the attention of the government other items of unfinished business left over from former sessions. There will be the question of the check-off of trade union dues, which I hope the government will endorse this year. There is also the question to which the Prime

Minister (Mr. St. Laurent) made reference the other night, namely the deductibility of medical expenses for income tax purposes. I would remind hon. members what happened at the last session. My motion seeking removal of the 4 per cent limitation passed the house unanimously, but the Minister of Finance chose not to change the act accordingly. The people of Canada expect a better deal than that this time. My motion is on the order paper again this session, and I hope greater consideration will be given to what I am satisfied are the wishes of the Canadian people in respect of this matter of medical expenses in relation to income tax.

One other thought, and I shall take my seat—and I believe I shall have finished within my 40 minutes—and that is to express the hope that there will not be a delay of ten years, or even nine years or five years, in dealing with the question as to how future redistributions of seats in the House of Commons are to be effected. It is not my purpose at this moment nor is there time to revive the feeling which existed in the house last June because of the redistribution which was effected at that time. The feelings which some of us had have been confirmed by the feelings we found to exist in our constituencies and in various parts of Canada during the recess.

The point I wish to make is that there was a much wider feeling this year than ever before that the time has come for redistribution to be carried out by an independent commission. The hon. member for Quebec South (Mr. Power) suggested on several occasions that the time to raise the question of an independent commission—although I did not agree with him—was not when we were dealing with redistribution. He suggested that he would be glad to have me join with him at the first session after that last redistribution in proposing that this matter of finding another way to do it should be given serious study. I hope when the hon. member for Quebec South gets back to the house he will remember the suggestion he made and will call upon the government to set up a committee at this session of parliament to study the whole question of having future redistributions of the seats in this House of Commons effected by an independent commission.

There is a good deal of dissatisfaction in the country with what was done last June and July. That dissatisfaction is very evident in my own province where the new constituencies vary all the way from one with only 40,000 population to one with over 81,000. No one can possibly defend such a discrepancy. The only answer to that kind of situation and the kind of boundary lines that are drawn by parliamentary committees is to get this business out of parliament and have it done by an independent commission so the people of Canada will feel that the job is being done for them and not for hon. members who happen to be sitting in parliament at the time the matter is under review.

I hope this matter will receive consideration along with the others that I have suggested. And once again I press upon the government as a matter of top importance at this session the urgent need for a nation-wide program of health insurance as is proposed in the C.C.F. amendment now before this house.

Mr. J. H. Dickey (Parliamentary Assistant to the Minister of Defence Production): Mr. Speaker, my first words are of sincere congratulation to the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne. These two new members have covered themselves and their constituents with glory by their maiden speeches, and I am sure all hon. members look forward to their continued participation in the debates of this house.

I want to express my sincere congratulations to the Minister of Fisheries (Mr. Sinclair) and the Solicitor General (Mr. Campney). These two gentlemen have been well and favourably known in this house for many years, and we wish them every success in carrying out the new and heavy responsibilities which have fallen upon them.

It is a pleasure to me to speak this afternoon for the first time through the fine voice-raising equipment which has been installed in this chamber by a firm located in the constituency of Halifax. As this system continues to be in operation I hope that not only hon. members of the house but members of the public who come into the galleries to follow our deliberations will find it of great benefit in properly following the proceedings.

Earlier this afternoon the hon. member for Red Deer (Mr. Shaw) dealt in some detail with complaints which he had received regarding two construction projects which are under way in his province for the Department of National Defence. No one is more anxious to receive notice of complaints of this nature than the ministers of the departments of this government who are responsible for construction activities of this kind. From time to time we do get word of complaints, and those complaints are quickly and thoroughly investigated. I am happy to say that on almost every occasion careful investigation

satisfies the concern of those who have brought the matter to the attention of the proper authority.

I assure the hon. member that so far as the Department of Defence Production and Defence Construction Limited are concerned, we believe that conditions at both the locations mentioned are satisfactory. However, immediate inquiry will be made to establish that fact. We will welcome and will co-operate fully in any investigation conducted by the committee on defence expenditures when that committee is set up.

I should like to deal briefly with certain suggestions which have been made outside this house that the morale of Canada's armed forces serving in Europe as part of our NATO army and air force leaves something to be desired. I had the privilege and I may say the pleasure of visiting our army and air force units in Europe and the United Kingdom some three weeks ago. From my observations and experience I think I can assure the house and the country that there is definitely no serious difficulty. The morale of our forces is extremely high and satisfactory.

Perhaps if I gave a brief résumé of what I saw in Europe you, Mr. Speaker, and hon. members would be in a better position to judge the facts. The main burden of the complaints which I have heard is in connection with our army component of the NATO forces, which consists of the 27th brigade stationed in and around Hanover in Western Germany. Hanover is a large city situated approximately 45 miles west of the boundary of the east zone of Germany, and is therefore quite close to the iron curtain. It was quite an experience to a person like myself to feel that I was so near to the border of that area of the world which is causing us so much concern at the present time.

For the past few years Hanover has been the centre of a large concentration of displaced persons, and it is only recently that the city has got back to a more normal and ordinary life. It would require some time for me to describe the various units of the brigade and the exact nature of the quarters in which they are located. Suffice it to say that the Canadian troops are all quartered in excellent permanent barracks with living quarters for officers, N.C.O.'s and men that are the equal of anything in this country and in my experience distinctly better than most. Adequate canteen and recreational facilities are available to our troops in the form of movie theatres, canteens, reading rooms and the like. There are in our barrack areas gymnasiums and one excellent indoor swimming pool which provide facilities for indoor exercise both as a matter of drill and also free time relaxation. A program of rigorous training and a sports program give more than adequate opportunity for outdoor exercise to all our troops. The sports program includes everything from boxing and gymnastics to cross-country running.

The medical, dental and postal services are excellent. Our field ambulance unit has a small hospital for the immediate use of the Canadian troops, and a large and well-equipped British military hospital is available for more serious cases.

I was particularly impressed with the nature and extent of the educational program available to our brigade troops. I formed the opinion that it is by all standards a better and wider program than is available at the present time to similar troops in Canada. It is true that the opportunities for giving time for an educational program are better in the conditions under which the brigade finds itself in Germany, and there has perhaps been more incentive to the personnel to take advantage of the educational facilities that are available. However, the fact is that they are entering into the educational program very well indeed.

One of the main matters of concern to any troops or any army is that of food. The ration situation of our brigade and all our NATO forces is extremely good indeed. We are drawing rations from the United States quartermaster's corps supplemented to Canadian scale, and there is absolutely no complaint with the food at all. The personnel of the brigade are as you would expect. The officers are largely young men, almost 100 per cent of them having overseas service during world war II. The same is true of the N.C.O.'s and men. They are all first-class young Canadians, and from my observation I would say they are enjoying their military service as much as any Canadians could be expected to enjoy being outside of Canada for the length of time and under the conditions under which they are serving.

The general impression the brigade gives to any visitor, and certainly which it gave to me, is one of smartness and efficiency. I was able to make inquiries outside of the brigade in the Hanover area and also in other parts of Germany and in England. I was informed by people who know that the Canadian brigade gave a superb performance in recent extensive manoeuvres in West Germany, and I know that they gave a very fine account of themselves.

What about morale? As you, Mr. Speaker, and many members of the house are aware,

morale is an indefinable thing. It is a composite of pride of service, pride in your formation and pride in your unit, of confidence in the leadership that the officers and N.C.O.'s give to the men. It is a composite of general satisfaction with food and living conditions and a realization that reasonable facilities for recreation, sports and amusements are available.

All these elements exist so far as our brigade is concerned, and I can assure hon. members that the result is that the morale of the brigade is very high indeed. Reports indicating that there is some concern about low morale have arisen, I understand, from newspaper stories dealing with the subject which were based not on personal evidence but on secondhand opinions and suggestions. Having been on the spot, I can say most sincerely that these suggestions are not soundly based.

I was interested after returning from Europe when several statements by other people who had had an experience similar to mine were brought to my attention. For example, in the Hamilton *Spectator* of November 15 there is an account given by a resident of Dundas. It reads as follows:

> . . . though he was no authority on military procedure, he and his companion, having spent twelve days in Germany and considerable time at Hanover where the 27th brigade is stationed, were of the opinion that the morale of the troops was fine. Their main complaint to Mr. Bowen and himself, he said, was that they did not have enough to keep them busy.

I am sure the reference to their not having enough to keep them busy did not arise from statements by the troops that they did not find their training sufficiently active and rigorous, because the training program is exceptionally good. However, young Canadians in a foreign land do like to get around and see the country in which they are living, and many of our troops find that their inability to speak German limits their activities in this direction. In the Montreal *Gazette* of November 17 there is a story from Ottawa reporting statements made by Brigadier W. C. Coke, now retiring from the army as director general of medical services. The article reads:

> "I have just returned from Germany after visiting every unit of the brigade", Brigadier Coke said.

That is the 27th brigade.

> "I found nothing wrong with morale or welfare." He added that on a recent exercise "Very senior British officers expressed admiration of the bearing and fitness of this formation. This brigade is rated second to none in Germany. I have never seen a brigade training under peacetime conditions exhibit a higher degree of esprit de corps."

I can confirm every word of that statement by Brigadier Coke, and my considered opinion is that the morale of the 27th brigade is extremely good indeed.

The other components of our NATO forces are two fighter wings of the R.C.A.F. There has been no real suggestion that these units are not satisfactory from the point of view of morale and everything else so far as I know, but having visited them I think I should say that they present a most satisfactory picture to anyone coming to see how they are getting along. As you know, Mr. Speaker, we are up to date on our commitments to our NATO allies. The fact is that the six F-86 squadrons that we have in Europe form the largest number of fighters considered fully capable of dealing with the Russian MIG-15. Those Canadian planes, which have been proven in combat in Korea, are now stationed one wing in France and one wing in England. They have proven themselves to be ready to meet whatever may be before them.

The first Canadian fighter wing is at North Luffenham. They are established there in permanent R.A.F. barracks at a very fine R.A.F. airdrome. It could be nothing but a pleasure for anyone to see how well they are getting along, and the excellent facilities they have. The three squadrons are all happy and indulging in very detailed and busy competition among themselves on matters of fitness. The pilots are obviously delighted with their aircraft. Their pride is helped by the fact that they realize that their colleagues in all the other air forces on the continent are jealous of the fine planes and are looking forward to having comparable equipment themselves.

One fighter squadron at North Luffenham reached that base by means of operation "Leapfrog I", in which those planes were flown from Canada to England. The second Canadian fighter wing is stationed at a new airfield which has been built for the NATO forces in France. The planes arrived there as a result of operation Leapfrog II, in which they were all flown from Canada direct to their airfield in France. This was one of the finest operations that has been carried out by any air force since the end of world war II. The arrival of this squadron in France under these conditions made a tremendous impression on all the members of the NATO alliance in Europe. The airport itself is still partially under construction, that is to say the runways are complete and the marguerites, but some of the living accommodation and other facilities were not completed at the time the airfield was occupied. The construction is going ahead satisfactorily, and while personnel met very severe weather conditions during the period in which they did

not have full occupancy of their living quarters, they put up with this discomfort in good spirit. I am sure they all look back with satisfaction on the way No. 2 fighter wing occupied that airfield and brought it to fighting efficiency under very difficult circumstances.

To sum up, Mr. Speaker, may I say that neither the 27th brigade nor the R.C.A.F. units in our NATO forces have any peers in Europe today, and we can all be extremely proud of the manner in which they have conducted themselves.

Now, Mr. Speaker, I should like to deal with another question which has many aspects, one of which is closely connected with the question of morale in all our armed forces, whether at home or abroad. This is the very generalized and repetitious criticisms about procurement for the armed forces which we have been hearing over the last few months. This criticism is always accompanied by general remarks regarding waste, extravagance and unnecessary expenditures. I think it is not unfair to say that these criticisms are founded on the allegation that the items that have been singled out for attention are examples of expenditures which are unjustified, either in their nature or in their extent.

A good example of this type of criticism can be found in the remarks made by the hon. member for Middlesex East (Mr. White) during this debate last evening. As an introduction to what I have to say on the question —my remarks will not be directed solely to the hon. member's statement but to similar statements made by the Leader of the Opposition (Mr. Drew) and by the hon. member for Eglinton (Mr. Fleming) this afternoon—I should like to quote what the hon. member for Middlesex East said at page 89 of *Hansard* for November 25:

> We see where the Department of Defence Production has purchased within the past year almost one million dollars worth of broadloom rugs. People do not mind paying for airplanes, guns and other supplies for our troops, but I think the people of Canada are getting sick and tired of this arm chair army for which we are buying supplies.

I regard that as a very significant and illuminating statement, Mr. Speaker. I should like to examine it in some detail, as it emphasizes the kind of thinking that is going on in the ranks of the official opposition and the manner in which they are employing half truths in order to make some baseless suggestions and to pattern innuendoes in an attempt to create an atmosphere of suspicion and bad feeling. The hon. member for Red Deer (Mr. Shaw), who spoke earlier this afternoon, dealt with this kind of thing very briefly but quite effectively when he pointed out the work that had been done last year by the defence expenditures committee in examining and putting on the record the facts in relation to these matters which have been raised. It is not the first time, Mr. Speaker, that we have heard of the rugs, the boots and other matters that have been mentioned.

The purpose, I presume, of these baseless suggestions is to achieve some political damage in so far as this government is concerned. I am afraid they will achieve some very different purpose which I shall suggest in a moment. First of all I should like to draw attention to the facts relating to the purchase of rugs, to see just exactly what they are.

The statement is:

> We see where the Department of Defence Production has purchased within the past year almost one million dollars worth of broadloom rugs.

This is the fact. The purchases of broadloom rugs from April 1950 to date are approximately $1 million. But the way in which the hon. member for Middlesex East (Mr. White) spoke, as well as other members of the official opposition who have been dealing with these problems, leaves the impression that this bald statement of an expenditure of $1 million for a certain purpose is all the information that is available.

I should like to bring to the attention of the hon. member for Middlesex East, the hon. member for Eglinton (Mr. Fleming) and the Leader of the Opposition (Mr. Drew) the proceedings of a committee of parliament which sat last session and on which certain members of the official opposition were extremely active members. The proceedings of that committee have been published. I hold in my hand a copy of the proceedings, No. 15, which deals with the evidence that was given on Tuesday, June 10, 1952, and it has been available to the hon. member for Middlesex East and to all the other members of this house—and for that matter to the members of the public—since some time toward the end of June of last year. The question of rugs, which was dealt with in some twenty words by the hon. member for Middlesex East, was dealt with in that committee in its proceedings of that particular day as follows. This is a statement made by the deputy minister of national defence, who was dealing seriously with this particular problem. I may say that I am sorry to put this long quotation on *Hansard*, Mr. Speaker, but I think it should be done. This is what he said:

> The next item is rugs and carpets. Rugs and carpets are slightly more complicated a category to explain in that there are quite a few articles under the heading of rugs and carpets. Included in these are not only the type of rug of a size 9 feet by 12

feet which is placed on the floor of lounges and messes but the kind of matting used on the interior decks of a number of ships.

I might perhaps try to outline to the members of the committee what the various rugs are used for. A rug or carpet 6 feet 9 inches by 9 feet is provided in each officer's single quarter. A small rug 2 feet 3 inches by 4 feet 6 inches is provided as something to cover the concrete or linoleum floor alongside the bed of each man in the other ranks single quarters. In lounges, officers lounges and NCO's lounges and men's lounges in the active force, larger rugs 9 feet by 12 feet are provided on the general basis of one per 200 square feet of floor area. The allowance for the reserve force is just one half of that—one per 400 feet of floor area.

In hospitals there is provided in sunrooms or solaria one per 300 square feet of floor area and, in addition, there are a limited number provided at government expense in married quarters at isolated units. We have found by experience that it is more economical to furnish completely a married quarter at an isolated station—and by isolated I mean really isolated such as Aklavik, Goose Bay, some of the stations on the northwest highway system, and so on—than it is to move the furnishings of the dependents. There is quite a substantial saving on the transportation charges and the cost of furnishing isolated married quarters completely is less than paying those transportation charges.

That is the basis then of the issue of the various rugs. Now, the number required in this two-year period would necessarily be quite large by reason of the substantial construction program that is now being carried on. All new single quarters for men are provided with one of these small throw rugs I mention as are all new NCO's quarters. The numbers which have been ordered are related not only to what was being constructed during the period in question but also to the quarters scheduled to come to completion during the subsequent twelve-month period.

That is a much different thing than a bald statement that we have spent $1 million on broadloom rugs.

Then, Mr. Speaker, there is the statement which I will repeat again from *Hansard*:

. . . but I think the people of Canada are getting sick and tired of this arm chair army for which we are buying supplies.

I am not going to make any comment on the appropriateness of applying to the general buying of these supplies the suggestion that they are being bought for an arm chair army; but I would ask the hon. member if it is buying rugs for an arm chair army to buy rugs to go in sunrooms and solaria of military hospitals; if it is buying rugs for an arm chair army to provide, on a logical basis, rugs for married quarters at Aklavik, Goose Bay and stations on the northwest highway system; if it is buying rugs for an arm chair army to provide one small rug in the quarters of airmen, sailors and soldiers under training in various parts of this country—in air stations all over western Canada, in naval stations on both coasts far from their homes; if it is buying rugs for an arm chair army to provide one small rug to put in the rooms occupied by those young men. If that is buying rugs or anything else for an arm chair army, then my understanding of any term of that kind is much different from the understanding of the hon. member.

This, Mr. Speaker, I think is true of much of the criticism that we have been hearing both last session and this one. We are hearing repeated this afternoon by the hon. member for Eglinton the same bald statements which were made the last session and which were thoroughly dealt with in the committee on defence expenditures. The hon. member for Eglinton mentioned boots. In this particular issue of the proceedings of the defence expenditures committee there are three pages of evidence given by the deputy minister of national defence dealing with boots alone, in which he went into detail as to the numbers of the armed forces that had to be supplied with boots, the scales of issue and the calculation of the supplies necessary for stockpiling for possible mobilization, with the single exception that the actual numbers of mobilization stores would not be given. I think the house will agree that it would be extremely unwise for us to give an indication of that kind, as to what our mobilization plans might be. But these statements and criticisms are repeated, not in the light of the information that is available to the members who are speaking as well as to every other member of the house and to the public, but as if what they say—the bald figure—is the only information that is available. Mr. Speaker, I submit that that procedure is dealing with these things in the way of putting before this house and the country as half truths matters that are not only capable of explanation but which have already been explained.

My original point was that this matter had a close connection with the morale of our forces. It has a connection in this sense. The suggestion is made that these supplies are being purchased in an extravagant and unreasonable manner in order to give us supplies of rugs which are not used or to which the people to whom they are issued for use are not entitled, or that there is some other strange reason for procuring these things. The officers of the Department of National Defence—as I am sure it is obvious from the material that was supplied by that department to the defence expenditures committee—have gone to the greatest lengths they can go to explain why these things are required. Yet after the committee has sat, and after the proceedings are published and available for the use of anybody who wishes to use them, the same baseless arguments are put forward and the same senseless suggestions are made that there is waste and extravagance which has not been explained.

Mistakes have been made; they are in the proceedings of the defence expenditures committee. No one can complain about dealing with matters of that kind. But I think it is a dangerous practice to take a position that is likely to make some sort of rift between our armed forces and the people of Canada which would be based on any misapprehension or misunderstanding of what are the real facts. I hope that when the committee on defence expenditures is reconstituted the facts that are brought out before that committee will be put to more use by the members of the official opposition and not completely disregarded, as it is apparent they have disregarded the work done by the committee last session.

Mr. Poulin: Mr. Speaker, will you call it six o'clock?

On motion of Mr. Poulin the debate was adjourned.

On motion of Mr. Howe the house adjourned at 5.55 p.m.

HOUSE OF COMMONS

Thursday, November 27, 1952

The house met at 2.30 p.m.

TELECOMMUNICATION

REDUCTION IN RATES BETWEEN NEWFOUNDLAND AND MAINLAND

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, I should like to make an announcement concerning telecommunications between Newfoundland and the mainland.

An agreement has been reached by the six companies providing long distance telephone services between these points reducing the rates effective Monday, December 1, between Newfoundland and the mainland.

The companies involved are the two crown companies, the Canadian Overseas Telecommunication Corporation, which operate the over-water link for the network, and the Canadian National Telegraphs, which provide land line services in Newfoundland, and the radio communication between Port aux Basques and North Sydney. The four private companies are the Avalon Telephone Company of St. John's, Newfoundland, the Maritime Telegraph and Telephone Company, the Bell Telephone Company of Canada, and the New Brunswick Telephone Company. The toll reductions will be borne proportionally by each of the companies concerned, according to the amount of service rendered.

The new rates for three-minute calls between Newfoundland and the maritime provinces are based on mileage instead of the present flat charge of $7.20. For example, the new rate between St. John's and Halifax will be $3.20, a reduction of $4; between Corner Brook and Moncton, $2.65 or a reduction of $4.55. The rate for calls between anywhere in Quebec and Newfoundland will be reduced to $4.50 from $7.20; from Ontario the new rate will be $6 instead of $7.50; from Manitoba, $6 instead of $9; comparable reductions will go into effect for calls to and from Alberta, Saskatchewan and British Columbia.

In June of this year, I indicated to the house that there was a contemplated reduction in long distance telephone charges between Newfoundland and the mainland, and I am gratified at the results of the discussions which have taken place between the various companies involved.

I think that the results achieved are very satisfactory, and I am sure that hon. members, representing Newfoundland in this house, will join with me in extending our appreciation to the officers of the companies involved and, more particularly, to those of the Canadian Overseas Telecommunication Corporation for the manner in which the problem of the long distance telephone rates has been solved.

Mr. W. J. Browne (St. John's West): Mr. Speaker, I am sure that the people of Newfoundland will be pleased to learn that these reductions are coming into effect on December 1. There is one question I should like to ask the minister and it is this. Are there to be any other reductions in rates for calls after hours—that is after six p.m.—and on Sundays as are in effect in the rest of Canada?

Mr. Chevrier: The agreement that I have referred to in this instance covers over-all long distance calls. I know of no other coverage by this agreement. It may be that another matter is being considered by the Canadian National Telegraphs for posts and other communities outside of their land lines. I shall be glad to inquire.

ST. LAWRENCE WATERWAY

REFERENCE TO PRESS REPORT OF DELAY IN CONSTRUCTION

On the orders of the day:

Mr. Gordon Graydon (Peel): Mr. Speaker, I should like to direct an inquiry to the Minister of Transport and to ask him whether he is aware of the news dispatch which appeared in the press this morning stating that there was a likelihood of something like an 18-months delay in the construction of the St. Lawrence power and seaway channel arising out of a possible reference from the federal power commission of the United States to the federal court and then to the supreme court of that country. I wish to ask the minister first of all whether that speculation or comment has good grounds; second, whether or not there are likely to be any other obstacles of a legal or technical nature raised against the construction of the St. Lawrence seaway at an early date.

Hon. Lionel Chevrier (Minister of Transport): The questions that the hon. member for Peel asks are of a broad character. I saw the report in the morning press.

Inquiries of the Ministry

All I should like to say at the present time is, first of all, that this is a matter that has to do with an application that is before a body in another country, and I would hesitate to make any comment on a matter of that kind. But I think I should at least say this: As I understand the matter, it is not a legal or a constitutional point that is involved. What is involved is an application of the New York State power authority before the federal power commission for a licence to join with Ontario hydro in the development of power in the international section. The matter has not yet been heard. There is no legal matter before any court at this time.

In so far as the legal point is concerned, it has always been a contentious matter in the United States. By "it" I mean the power and navigational project, and it is not surprising that there may be some litigation. But I should like to say that the co-operation we have received from our United States friends is such that I have confidence it will continue in the present application. Given that kind of co-operation, I am not at all disturbed by the statement that has been made. I am still confident that we shall proceed with this development in the not too distant future.

CIGARETTES

REPORTED SALES OF UNITED STATES BRANDS—DUTIES AND TAXES

On the orders of the day:

Mr. R. E. Anderson (Norfolk): I should like to address a question to the Minister of National Revenue. Has the attention of the minister been called to recent press reports stating that cigarettes of United States manufacture are being sold in chain stores in Canada, at prices which are lower than those charged for cigarettes of domestic manufacture, and, if so, what action does the minister propose to take?

A further question: Will the minister also indicate what are the rates of duty and taxes on cigarettes imported from the United States, and whether any dumping duty applies?

Mr. Speaker: Order. The second question is one which I am sure should appear on the order paper. Perhaps the minister would like to answer the first question. It could also of course appear on the order paper, but if the minister would like to answer it now and the house has no objection to make, he may do so.

Hon. J. J. McCann (Minister of National Revenue): The hon. member was good enough to give me advance notice of his question, and in reply I would like to say that I am aware of the press reports stating that cigarettes of United States manufacture are being sold in some Canadian chain stores at prices lower than domestic cigarettes. The department is now looking into this matter and is carrying on investigations to establish whether the proper duties and taxes have been paid.

The customs duty on cigarettes imported from the United States is $2 per pound and 15 per cent ad valorem plus $2 per thousand cigarettes.

The sales tax of 10 per cent is payable on the duty paid value. There is also an excise tax of two cents per unit of 5 or any fraction thereof. Dumping duty would not apply in the case of these imports for the reason that under the provisions of subsection 2 (i) of section 6 of the Customs Tariff goods which, like cigarettes, are of a class subject to excise duties under the Excise Act, are exempt from special or dumping duty.

THE CABINET

INQUIRY AS TO DESIGNATION "OFFICERS OF THE CROWN"

On the orders of the day:

Mr. J. L. MacDougall (Vancouver-Burrard): I should like to direct a question to the Minister of Justice. I regret to state I have not given him previous notice of the question that I am going to ask but I am quite sure that with the alacrity of his brain he can answer it.

Mr. Speaker: Order.

Mr. MacDougall: If not, he can take it as notice. I should like to know what members of the cabinet are considered officers of the crown. If there are any members of the cabinet who are not in that category, who are those specific ministers of the crown who are not so considered?

Hon. Stuart S. Garson (Minister of Justice): I am afraid that even the alacrity of the Minister of Justice is not equal to that question, without notice. I shall be glad to take my hon. friend's question as a notice and bring down an answer.

PENSION ACT

DEPENDENTS OF DECEASED SERVICE PERSONNEL—REQUESTED CHANGES

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 Veterans Affairs. Has the minister received a copy of the resolution of the Silver Cross Women of Canada, as I believe have all members, asking for certain changes in section 33 of

the Pension Act with respect to pensions paid to dependent parents of deceased servicemen? Will consideration be given to this request?

Hon. Hugues Lapointe (Minister of Veterans Affairs): I have received such a resolution, and I have made arrangements to meet with the officers of that association in the very near future to discuss the matter with them.

ARMED FORCES

WELFARE FACILITIES—VOLUNTARY ORGANIZATIONS

On the orders of the day:

Mr. W. G. Dinsdale (Brandon): I should like to direct a question to the Minister of National Defence. In view of the continuing expansion of the armed forces, does the government intend to make use of the welfare facilities offered by the voluntary organizations which served so effectively during world war II?

Hon. Brooke Claxton (Minister of National Defence): The hon. member for Brandon was good enough to give me notice of his question. At present we have a brigade group in Korea, a reinforcement group and other units in Japan, an air force wing and a depot in England, a brigade in Germany and an air force wing in France. The heads of the three services consider that it would be unwise, uneconomical and unnecessary to establish at all these places the five welfare agencies that we used during the second world war and I agree with them. Whatever welfare services are required will continue to be supplied by one means or another, depending on the circumstances.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, November 26, consideration of the motion of Mr. J. L. Deslieres 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. Raoul Poulin (Beauce): Mr. Speaker, I came to Ottawa to attend the present session firmly determined not to take part in the debate on the address in reply to the speech from the throne. However, after listening to the various speeches made during the last few days I changed my mind. Many will undoubtedly say that that is where I erred. As a solace, I might tell them that my remarks will be brief.

Like the previous speakers, I wish to offer my sincere congratulations to the mover and seconder of the address for their magnificent and successful effort to uphold, according to the tradition of the house, the quality and dignity of those speeches.

I also associate myself with the wishes expressed by the previous speakers for the complete success of the celebrations marking the coronation of the Queen of Canada.

I say without hesitation that, in my humble opinion, our present political system is not the one I prefer. For instance, I have often asked myself what is the necessity or even the usefulness of a governor general, even a Canadian governor general, and of lieutenant governors in the various provinces. However, as long as we are governed by a constitutional monarchy, the person vested with supreme authority, whether man or woman, will find no more respectful subject than I. Consequently, I sincerely trust, without any reservation, that our new queen will enjoy a reign both happy for herself and her family, and beneficial to the loyal subjects that we are.

At this stage of the debate on the address, we are considering the amendment to the amendment moved by the member for Rosetown-Biggar on behalf of the socialist party of which he is the leader.

The said motion reads as follows:

We regret further that Your Excellency's advisers have failed:

(a) to recommend legislation establishing a a nation-wide health insurance program, with provision for provincial administration.

I wish to state right now that I am decidedly opposed—not because I am a doctor myself but as a Canadian citizen—to any state-controlled health insurance scheme.

Health, treatment of ailments, relations between the patient and his doctor or nurse, hygiene, medical education, hospitalization, all these are hallowed fields in which moral and psychological factors are just as important as therapeutic or hygienic considerations. It therefore appears to me to be absolutely unseemly—if not altogether impossible—to let the state look after medical matters in a country such as ours.

Though it may be argued that freedom of choice would be safeguarded, as regards both the doctor and the patient, it is nevertheless a fact that the physician would become a civil servant; he would be forced to abandon all kinds of personal undertakings which are just as necessary in the medical field as in other scientific fields. He would be obliged to put down in writing any number of declarations directly opposed to his professional oath of secrecy and entailing an unnecessary loss of often precious time. Even were

the family doctor or the consulting specialist to retain all those privileges which they now enjoy, and which give to his relationships with his patients an almost sacred quality of friendliness and confidence, the fact would nevertheless remain that state-controlled medicine would bring about a type of officialdom whose doings would be prejudicial to the best interests of the patients.

In a country such as ours, in particular, where there is duality of culture and religion, can you imagine, for instance, an atheistic high official—and it is not the first time that persons of that category have sat on Canadian government bodies—in charge of health control with the education which that involves? Can you imagine this official being required to pass upon the advisability of allowing or prohibiting therapeutic abortion, or to give advice concerning sexual intercourse or chastity in marriage, or else on the gynaecological care to be given in maternity cases? Can you imagine this same person expounding doctrines of birth-control or sexual education to be given to adolescents? It would indeed be interesting to see a Dr. Chisholm —the less said about him the better— approaching these problems! It is not therefore surprising to note that, in Catholic Ireland, in 1951, that is, last year, the bishops forced the Costello government to dispense with the services of Dr. Browne who was in charge of the health department, because he favoured a government plan for medical care to mother and child.

On the other hand, I am bound to admit that a great number of our people are not getting adequate medical care yet, in spite of the fact that great progress has been accomplished during the last decade in the field of preventive medicine. Such an improvement has been possible thanks to an acceptable co-operation between the Minister of National Health and Welfare and the provincial governments.

I acknowledge, and I am pleased to do so, that the federal government has done much in this field in lending genuine support to the constant efforts of the provinces. I would like to add that, on the whole, provincial autonomy as well as the sacred field of medicine has been respected by Ottawa. In co-operation with the provinces, the federal government has been concerned mainly with hygiene and preventive medicine. In this field we have by now reached a reasonable level, which compares favourably with the level attained in several other countries. Could the federal government go further than that? Could it do more than it has done so far?

[Mr. Poulin.]

As I just said, preventive medicine is making considerable progress. The most serious deficiencies are now felt in another sector, that of curative medicine, and this is the field which the federal government will have to invade, if it wants to make further progress. A great many people of limited means are surely deprived of medical care because they are unable, with their small income, to pay the very high cost of such services. Nevertheless, I contend that this sector of medicine is a field which the central government should not invade, for the reasons I gave a few moments ago.

I now contend that even the provincial governments should abstain from interfering. That field is too intimate, too personal; it is a temple too sacred to be violated by civil servants, to whichever party or group they may belong.

In his speech of the 24th instant, the hon. member for Rosetown-Biggar (Mr. Coldwell) said, after having discussed state-controlled health schemes—and I quote his very words:

> We discover more and more that prominent physicians can be brought to see the necessity of such a program.

He quoted but one authority in support of his statement. One must admit that the list of prominent doctors referred to by the hon. member is not very impressive, being limited to one person. Proceeding with his speech, the hon. member named the president of the association of French-speaking physicians of America, Dr. Jean-Baptiste Jobin, as one of those doctors who could be persuaded that a national health insurance scheme was a necessity. As proof of this, he quoted a few words that Dr. Jobin is reported to have said at Laval university on September 23, 1952. I am referring to page 53 of *Hansard* of November 24, 1952:

> Social medicine is a must if modern medical services are to be accessible to everyone.

From these few words, the hon. member hastens to conclude that the prominent physician referred to has allowed himself to be convinced of the need for state-controlled medicine.

Mr. Speaker, I cannot let this statement go unchallenged. Following the speech delivered by the hon. member, I contacted Dr. Jobin and here is the letter I received from him yesterday.

Quebec, November 25, 1952.

Dr. Raoul Poulin,
Member for Beauce,
House of Commons,
Ottawa, Ontario.

My dear Doctor,

I am glad to send you, in reply to your telegram about Mr Coldwell's project, the whole text of my statement. You will see that I was misquoted by newspapermen who garbled my text.

Ever since I was played that mean trick by a newspaper whose name I will not mention, that paper's article has been reproduced everywhere by people who, ignoring my original text, have quoted me right and left as having said something I do not believe in the least.

At the closing banquet of the convention held at the Chateau Frontenac, in Quebec city, I made it quite clear that I was personally and categorically against state medicine, that I had been the victim of misinterpretation and that I favoured on the contrary private medical practice, in so far as is possible. You will see that such is the statement I made last September at Convocation hall.

I beg you to accept, my dear Doctor Poulin, the expression of my best wishes.

Yours truly,

J. B. Jobin

In my opinion, the only way of solving this problem would be to encourage the population to enrol in independent insurance plans with prepaid premiums, through various companies entirely independent from the different governments. It is well known, in that respect, that such insurance plans are becoming increasingly popular. In 1950, half the population of the United States was protected by plans of that type, while in Canada some three and a half million people were covered by private insurance plans. In the case of low-income people, the government of each province would pay the premium. That would increase the expenditures of the provinces, which, I know, would make the plan quite unwelcome to a few people who will hold that certain provinces are financially incapable of paying the cost of such an insurance plan. That brings us to another current topic which was debated at some length in the house by the Leader of the Opposition: the division between the federal government and the provinces, of the different fields of taxation, and the matter of provincial autonomy.

My point of view would be accepted in the province of Quebec, I think, since the premier is a determined partisan of autonomy, even if, on some occasions, he has let slip by some opportunities to consolidate its foundations. However, he made quite recently in this connection a statement which has made me very happy. He is reported as having said last week at a press conference that he will no longer accept the federal government's aid to universities and classical colleges. Being one of the very few members in this house who have challenged that recommendation of the Massey commission, I cannot help but be delighted at this new stand taken by the premier of Quebec, and I offer him my most sincere congratulations.

The provinces should be able to find the revenues they need to give the poor of the country the medical care to which they are entitled, pursuant to the principles of Christian charity, and without having to resort to state medicine.

To this end, should the federal government return to some of these provinces the sources of revenue with which they parted more or less willingly I do not hesitate to answer that the interests at stake are certainly worth while.

Mr. Speaker, the problem of the medical care that should be given to the needy is too utterly human to make a mess of it by exaggerated partisanship.

I am convinced that there is not a single member of this house who is not ready to do his best so that the unfortunate may receive not only the assistance necessary to relieve their misfortune and their sufferings, but that they may receive that assistance fully in the most human and most comforting way possible. I believe, speaking in all sincerity, that governments can strive to attain this goal without intruding into the field of medicine.

(Text):

Hon. Brooke Claxton (Minister of National Defence): I should like first of all, Mr. Speaker, to congratulate most warmly the mover (Mr. Deslieres) and seconder (Mr. Schneider) of the address in reply to the speech from the throne. Both the hon. member for Brome-Missisquoi (Mr. Deslieres) and the member for Waterloo North (Mr. Schneider) discharged their difficult tasks in a way which brought honour to their constituencies, and they deserve every congratulation. I am sure that the members of the armed forces, the Royal Canadian Navy, the Canadian Army and the Royal Canadian Air Force would be most appreciative of what those members, the Prime Minister (Mr. St. Laurent) and the member for Halifax (Mr. Dickey) have said about them in their speeches in this debate.

Ordinarily on taking part in a debate of this kind I would have felt it my duty to survey the international situation, particularly as regards Korea and the work of the United Nations to stop aggression there, and the development of the North Atlantic Treaty Organization and its work to prevent aggression in Europe. Then, I would have endeavoured to give an account to the house of some of the main developments in our armed forces since we last met. There will be other opportunities to do that, either during this debate or later in the session, and I shall be glad to take advantage of those opportunities as they occur. Today I propose to deal with boots, forks and rugs.

An hon. Member: And neckties, too?

Mr. Claxton: I am not omitting neckties. My reason for taking this course is that the Leader of the Opposition (Mr. Drew) made these articles and our extravagant expenditure on them, as he put it, the main basis of his attack against the Department of National Defence. These have been the subject also of some newspaper articles.

Now, the purchase of clothing and barrack stores for the armed forces is a matter of the most serious concern to this house and to the country. It involves very large expenditures of money, and must be done with all possible economy. If anyone can point to any way in which greater economies can be effected, the Minister of Defence Production (Mr. Howe), myself and the officers of the armed forces will be the most pleased persons in the world, because we want to get the most value we can and have the biggest defence forces possible for the tax dollar.

This matter, therefore, is of grave concern. As it happens, it is a matter on which the special committee on defence expenditures set up by this house spent most of its time. Hon. members have available to them, even though they may not have looked at them, the proceedings of that committee as they are in the papers and official records of this house. They will see there spread out information bearing on most of these subjects. I suggest it would be useful if, before making sweeping assertions about these subjects, an hon. member would at least look at the published records of the house to see what the facts are that have been brought out.

Clothing and barracks stores are required for four purposes. First, there is the original issue to a man or an establishment, to the man when he joins the armed forces or to the establishment when it is set up. Second, there is the replacement of articles worn out through use, that is, maintenance. Third, there is the establishment of sufficient stocks in depots and other stores to meet normal demands as well as sudden requirements that cannot be anticipated, and also to provide for the varying sizes of the people who have to be outfitted. Anyone familiar with retail practices will know what I mean by this. It is usual to provide something in the nature of 25 per cent extra for size, that figure depending on the article concerned. Fourth, and finally, we want stores and clothing for mobilization.

I announced in the house on February 5, 1951, the expanded defence program and I said that it would make provision for—

> the administrative staff, training establishments, depots, stores, clothing and equipment to provide for rapid mobilization in a total effort.

[Mr. Claxton.]

Let me deal with each one of these four purposes for having clothing and barracks stores, in the order I have given.

First, initial outfitting. Every man entering the forces is provided with an outfit of clothing which is personal to him. The average cost for a man in the active forces is $369. In other words, for each man joining the active forces the clothing issued to him costs $369, not an excessive sum. At considerably less cost a much less elaborate kit of clothing is issued to men joining the reserve forces, the university training plans or the cadet services.

In the period from April 1, 1949, to October 31, 1952, we have enlisted in these various categories a total of 227,000 personnel each of whom had to be initially outfitted. Here I begin to mention figures that I am sure will strike the house with their magnitude. There have been 227,000 new outfits for officers and men of the active and reserve forces and the cadet services since April 1, 1949. Provided a man serves a minimum of 90 days in the active forces, and a correspondingly longer period for the reserve forces and cadets, he is entitled to retain part or all of his clothing on discharge. It will be seen therefore that initial outfitting alone calls for a very substantial number of garments.

Second, we have maintenance in respect of the replacement of articles consumed by use and by wear. Every effort is made to assure that we get the utmost possible wear out of each article. Many hon. members have visited No. 26 ordnance depot at Plouffe park and have seen there the workshops where this work is carried on. They have seen the thoroughness with which boots and shoes and other articles of clothing are completely rehabilitated by expert service and civilian workmen.

As of October 31, 1952, the strength of the active forces, reserve forces and the cadet services was 248,000. Rates of wear of military clothing for these various categories will obviously vary considerably between the extremes of the soldier engaged in active combat and one engaged in more sedentary work such as the signal system. But even so 248,000 men and women wear out a considerable number of garments in the course of a single year.

Third, we have the necessity of establishing stocks. Over and above those out on initial issue or those required for maintenance, we must have stocks to meet needs that can be anticipated and also to provide for sizing and distribution. When you consider that there are 1,402 units of the active and reserve forces, quite apart from cadets, at most of which issues are made of clothing, you can

appreciate that we need quite a considerable quantity of articles of each type in stock so as to provide for distribution and sizing.

There has been a very considerable increase in the size of the forces since the outbreak of hostilities in Korea. The total number has increased in the active forces from some 47,000 to over 100,000, that figure having been reached on the 6th of November last. To meet that increase we have had to add to our stocks, but that having been done we do not need to do it again. Once you establish stocks for distribution and sizing you do not need to do that operation again.

Finally, we need clothing and equipment for mobilization. Some hon. members will recall the situation that faced us in 1914 and all hon. members will recall the situation that faced us in 1939 when large numbers of men had to be mobilized, and the resultant difficulties in having men proceed with realistic training or even with guard duties through lack of proper military clothing. The next mobilization, if it comes, will in all probability be far more urgent and far more serious because we now face for the first time the possibility of a direct attack upon the land of Canada. Accordingly I announced the policy of acquiring mobilization stores when I announced the expanded defence program in the speech of February 5, 1951, from which I have just quoted.

At that time no member of the opposition and, as far as I know, no newspaper in Canada took any exception wnatever to the policy then declared. So far as I know, no member of the opposition and no newspaper has yet taken a position of opposition to the policy then declared. All countries acquire stocks for mobilization, stores for mobilization, stores with which to equip the men they have to take on strength to meet the challenge after it occurs. I came across a very interesting and helpful observation by the hon. member for Calgary East (Mr. Harkness). Speaking in the house on November 11, 1949, he said, as recorded at page 1691 of *Hansard*:

> I remember that when we were mobilized in 1939 the men of my unit went around without uniforms for a considerable length of time. There were no uniforms for them at all; and this condition was not corrected until the first issue of battledress came along in November, I believe it was, 1939.

The hon. member for Calgary East goes on to say—and this is the policy we are pursuing:

> There should not be any repetition of that; there is no need for it, particularly with the large amounts spent for defence purposes at the present time.

Mr. Harkness: There is no need to go to extremes either.

An hon. Member: Oh, quiet.

Mr. Claxton: I am glad to see that the hon. member is here and he will no doubt support what he said in 1949.

The next note I have is: how far you go is a matter of opinion and a matter of judgment. In arriving at that judgment you take into account your experience in previous wars and your experience since the second world war. The officers responsible for drawing up the schedules—and we have complete schedules for every one of the 15,000 items of clothing and barracks stores required in the event of mobilization—have drawn them on the basis of that experience. From time to time we get different experience, as is the case with Korea. Manufacturers may deliver things faster than we expect and therefore we do not need so long a lead time—the time it takes to begin production on a considerable scale after we have an approved design, new machinery for production, and an order to go.

As I say, with the increased or changed experience then we modify our ideas. I will tell the house quite frankly that we have made some quite important modifications during the last year and no doubt will make others.

In the department we use a term—and I do not know whether it is in general commercial use or not—to differentiate between things that are easy to make and which are generally similar to those in civilian use, and those which are usually of metal and consist of weapons, ammunition and the like. The first category we call "soft" goods as opposed to weapons, equipment and ammunition, etc., which are "hard" goods. The time taken to produce goods from beginning to end will vary with the article but, by and large, our experience in peacetime has been that in the case of soft goods it takes from nine months up to secure a flow of production from the time when we make the requisitions on the Department of Defence Production; and in the case of hard goods it may take as long as five years for a new aircraft or eighteen months for a gun. Generally speaking the time for hard goods is of the magnitude of eighteen months up—that is the lead time for weapons, equipment, motor vehicles and ammunition. In placing orders for anything we have to take into account the fact that deliveries of most of these soft goods will begin about nine months after requisition, and of the hard goods about eighteen months.

You can see that orders placed in the spring and summer of 1951 for soft goods have been largely delivered and those for hard goods are still in process of being delivered. Consequently, of our total defence program, as announced on February 5, 1951, we have completed a very much larger proportion of the category of goods falling under the heading

of clothing and barracks stores and so on, and a smaller proportion of weapons, equipment and ammunition.

Now, sir, had a war occurred during this period I can just hear the ringing tones in which the Leader of the Opposition, and members of the opposition opposite, would have criticized the government, criticized the department and criticized the armed forces for not doing just about what we have done.

The question then arises: Have we been right in ordering the things in the quantities and at the times when we have? Here again there is room for difference of opinion and the decision must vary with the article. There is no point, to my mind, in stockpiling anything that can be bought off the shelves from civilian sources of supply or produced by ordinary suppliers by the time that it is needed for use. The general idea was that we should stockpile those things with which it was necessary to equip the forces that would be available. No neckties whatever have been stockpiled—only those items that would be necessary to equip the forces that would be mobilized within the first three months or so of a general war. Now, mark that.

It is important that we should see this. The general object in stockpiling clothing and barracks stores was to get those things which we could not get from civilian sources and which were necessary to equip the troops that we expect to have to mobilize during the first three months of an emergency, and that is all.

Mr. Harkness: Is a necktie necessary for mobilization?

Mr. Claxton: I have just said that we are not stockpiling any neckties.

An hon. Member: They are good for hanging.

An hon. Member: What about Sam Hughes?

Mr. Claxton: That all brings me to the way in which the *Globe and Mail* and some other newspapers have used the figures which they have obtained from the published reports of the Department of Defence Production. They have taken orders generally placed with the intention of rebuilding stocks for the four purposes I have mentioned; they have related them to a single issue to 100,000 men; and they then arrive at the result that each man is to have fifteen pairs of boots. They have left out of account every trace of recognition that to a large extent the stocks of clothing we are acquiring are for both active and reserve force purposes of supply next year, partly the following year, and then for mobilization should it occur.

In 1939, three months after we started to mobilize to meet the needs of the second world war, the strength of the armed forces had increased from their peacetime level by over 60,000. I mention that figure to show something of the magnitude of the job that is faced when you begin to talk about mobilization stores. I am not in a position to give the figure of men we would expect to take on in the unfortunate event that there is a third world war, but the figure is likely to be considerably larger than in 1939.

Before going into the figures I want to emphasize again the fact, made so abundantly plain by the Prime Minister, that this defence operation is big business. Ten per cent of the national income is taken for purposes of national defence; and 10 per cent of the population, if you take members of the active force working full time, members of the reserve force working part time and those engaged directly or indirectly in defence projects, together with those in servicing industries, and their dependents, are involved.

My colleague, the Minister of Defence Production, and I have not been able to scrutinize personally in detail, as we would have liked to, all the requisitions made or contracts placed. Since March 31, 1947, 527,000 contracts have been placed. We have seen the larger ones and have also overseen the general policy. I repeat that the contracts placed, the requirements we work out and the estimates we make are subject to constant review; and I add that what is surprising is that in this huge volume of business, done under great pressure and with staffs inadequate in size, without any previous experience of so rapid a peacetime build-up, or in maintaining the very considerable forces we have had in the Far East and in Europe at the same time, the errors discovered so far have proved so small relative to the total operation.

I want to make one other point and it is this. If there have been errors or if errors are discovered in the future, either in our estimate of our current requirements or in the estimate of requirements for stockpiling, we can consume the excess of articles to meet recurring needs. I do not think that in many fields we will have stockpiled more than we would have required in about a year or a year and a quarter of ordinary current needs. In other words, not a single article has been or will be wasted; everything will be used.

Against this background, let us see what the charges are that have been made by the Leader of the Opposition and others. It is not necessary for us to search far in order to see what the bases of his charges were. There used to be an old rule against reading newspaper articles, and it was a fairly good one. The Leader of the Opposition referred

to this subject himself in a speech in Toronto quoted in the *Globe and Mail* for November 5, 1952, with the headline "No Ghost Writers for P.C.'s, Drew Tells Ontario Rally". The article reads in part:

Commenting on an article by a U.S. columnist in which the writer stated he "knew" every man in public life employs ghost writers, Mr. Drew said it was a sad commentary on public life. He did not suggest that either presidential candidate had reached that point, but in Ottawa it has reached such a state that some cabinet ministers had not read over their speeches before they delivered them.

"It is a remarkable departure from the idea that democracy was based on the free interchange of ideas by which individuals express their convictions," he said.

With that foundation, Mr. Speaker, let us see what the Leader of the Opposition said on these various heads and from where he obtained his material. In his speech in the house, as reported at page 22 of *Hansard,* he said:

In the last few weeks articles have been appearing throughout Canada in some of the most responsible of Canadian newspapers, analysing facts and figures in regard to defence purchases, which are a challenge to every member of the house.

I agree that they are a challenge to every member of the house. They are a challenge to every member of the house to look at the records of the house before he uses such statements. I suggest that the Leader of the Opposition would have been better briefed had he taken the trouble to consult the minutes of proceedings of the special committee on defence expenditures set up in answer to his request.

On the subject of clothing in general, as reported at page 23 of *Hansard,* the Leader of the Opposition said:

Since November 20, 1950, it is stated that clothing orders alone have amounted to some $142,150,000. The total strength of the three armed services just exceeds 100,000 which works out to approximately $1,400 for every member of the three services. That is not, of course, the amount which has been spent to provide uniforms for each of the members, because the department did estimate that the average cost of the kit of a soldier, sailor or airman is about $390. That seems high enough in itself, but the figures also show that orders are out of all relation to the number of those now in the services, or for the target figure of 115,000 which has been set for 1954.

Mr. Speaker, let us look at the Leader of the Opposition's authority for those statements. I wish that the rules relative to printing *Hansard* permitted the statement of the Leader of the Opposition and the source from which he quoted to be printed in parallel columns, but we will do that later.

The authority for this is George Bain, in the *Globe and Mail* of November 18, 1952, who said:

Since November 20, 1950, the first date covered by the contract information clothing orders alone have amounted to some $142,150,000.

The total strength of the three armed services has only recently edged past the hundred thousand mark; the target is 115,000 by 1954.

According to figures contained in "Canada's Defence Program 1952-53" published by the Defence Department, the average cost of a sailor's, soldier's or airman's kit is about $390.

As will be seen, Mr. Speaker, there is a fairly close resemblance between the two statements.

As I mentioned earlier, since April 1, 1949, and up to October 31, 1952, we have enrolled approximately 227,000 men and women in the active and reserve forces and in the cadet services. We have outfitted them with clothing at an average cost of $224.43 each or $50,955,000 in total.

During the same period all the forces, active, reserve and cadets, have put in a total of 701,182 man years—that is the service of a man for a year, an actual figure—and it has cost an average of $77.06 to maintain their clothing and to establish depot stocks, or a total of $54,035,000.

I should explain that takes into account the fact that during the first year the man has had his original issue and needs very little maintenance. If we were dealing with maintenance alone, after the first year the cost of maintaining a member of the regular forces would be $156.34; of the reserve force, $57.72; a cadet, $27.86; or an average of $77.06.

In the same period we acquired special clothing such as Arctic clothing, winter clothing, aircrew clothing, protective clothing and similar clothing that is not ordinarily issued as part of a man's outfit, at a cost of $16,721,000.

Finally, $37,786,000 has been expended on the provision of mobilization stocks of clothing. Those stocks are in store ready to be issued should there be a mobilization. But if there is no mobilization, or if the international climate changes, or if we decide that it is no longer necessary to have mobilization stores of that character, then all these articles can be issued to meet current requirements and would be used up in about a year after that operation started.

I think hon. members will agree that the figure of $156 as the figure of maintaining a soldier's, sailor's or airman's clothing for a year is not an excessive figure. It is about 4½ per cent to 5 per cent of the average personnel costs per man per year. The dominion bureau of statistics informs me that they estimate that the average cost of a male's clothing per year is about 7 per cent of his wages. The Toronto social welfare council estimates that last year there should have been spent on a manual worker's clothing a total of $152.50. On our service personnel it was $156, and he required a good

deal more and better clothing. Now, on the average, our soldiers, sailors and airmen receive each year in cash or kind $3,022. That is for all other ranks, from the newest recruit to the most senior warrant officer first class tradesman, an average of $3,022 for pay, allowances, pension, clothing, food, medical, dental and hospital services. That is the equivalent of a civilian wage. In the United States it is far more of course. Therefore you will see that the figure of $156, the cost of maintaining his clothing, is about 5 per cent of that amount, and less than the dominion bureau of statistics estimate.

I should now like to pass on to the subject of boots and shoes. On this the Leader of the Opposition said on November 24, 1952, as reported at page 22 of *Hansard*:

> Since these have appeared throughout the whole of Canada, they are the kind of examples which it would seem necessary for us to examine. During a single ten-month period orders for boots and shoes for the armed forces totalled $15,292,241. Even at the very high estimate of $15 a pair, which would indeed be a high cost for service footwear, this would mean more than one million pair of shoes for 100,000 members of the armed forces. The suggestion that orders of this kind are necessary for the reserves simply does not hold water, because plenty of shoes have been available for the reserve army for some years. Orders are still being placed.

The authority for this is Arthur Blakely of the Montreal *Gazette* of October 30, 1952:

> During a single ten-month period, orders for boots and shoes in the armed forces had totalled about $15,292,241. Even at $15 a pair—high for service footwear—this works out to better than a million pairs. Yet there were fewer than 100,000 personnel in the armed forces to wear them . . . the explanation didn't satisfy anyone. Meanwhile, boot and shoe orders are still being placed.

It seems to bear some similarity. Now, sir, the story about boots and shoes was spread on the record of the defence expenditures committee by the deputy minister of national defence on June 10, 1952, and it appears at pages 385 and 392 of the proceedings of that committee. I am not going to go into that again, but I should like to describe to you in summary what the situation is.

From April 1, 1950, to September 30 of this year the services received 1,563,539 pairs of leather footwear, with further deliveries due of 52,059 pairs. In addition there have been substantial purchases of other articles of footwear such as rubbers, gym shoes, overshoes, mukluks, and so forth. The total amount is based on requirements which, if examined objectively, will, I believe, be found to be sensible and prudent. Everything I have said about the increased personnel, about distribution, about stock levels, about lead time and about stockpiling applies with particular force to boots, ankle. It will be appreciated that requirements for footwear, particularly boots, ankle, will be different for the different categories of footwear and for each of the services, and often according to the area where a man is serving. For example, our experience is that a man wears out four pairs of boots a year in Korea, two a year in Germany, and generally speaking less than one and a half per year in Canada. We vary the issue for the navy and air force because they use less footwear than does the army.

Trade figures on footwear give an estimate that the average male in Canada buys 2·38 pairs of shoes or boots each year. The amount we provide for the armed forces of boots, ankle, is less than that.

As boots represent the largest item, perhaps I might give some figures with regard to them. At September 30, 1952, depot stocks were 479,643, and stocks held against possible mobilization amounted to 361,971. Further deliveries will be 6,928. The annual consumption in 1952-53, both initial issues and replacements, is estimated at 263,000. Maintenance stocks are therefore the equivalent of less than two years expected consumption. Having regard to the lead time for manufacture and the necessity for having at all times a minimum stock for distribution and sizing, this seems to be about right for this time of the fiscal year.

Now, may I take up neckties? Speaking in the House of Commons on November 24, 1952, at page 22 of *Hansard*, the Leader of the Opposition said:

> During the last session it was found that orders have been placed for $1,150,000 neckties. Not satisfied with this incredible accumulation of neckwear, orders are still being placed for more neckties. One might well wonder what particular military service these additional ties are supposed to perform.

The authority for this seems to have been Arthur Blakely of the Montreal *Gazette* of October 30, 1952:

> By early last session, arms orders had been placed for a total of 1,150,000 neckties. A prejudiced and sceptical Conservative M.P. gibed that there were plenty to, 'bound hand and foot any number of aggressors who might attempt to land on our shores'. But the defence department isn't taking any chances. Orders are still being placed.

It will be noted that the Leader of the Opposition's speech, as reported in *Hansard*, has the dollar sign before the number of neckties. I have checked up with the text of the speech from which he read on Monday, and I find that the dollar sign is not there, so that this is a typographical error in *Hansard*.

Mr. Fleming: How does the minister know that the Leader of the Opposition did not use the word "dollar" in his speech delivered in the house?

Mr. Claxton: If he had, it would make the statement even more fantastic, because these neckties cost from 30 to 40 cents each, and that would mean that there were some three or four times as many neckties as he said. There is another reason, and that is that the Leader of the Opposition, both in *Hansard* and in the text of his speech from which he read, used the word "neckties" after the figures, indicating that the dollar sign was a mistake in *Hansard*. The scale of issue of neckties for a man joining the forces is: for the active forces, two; for the reserve forces, one; for cadets, one. Maintenance is calculated—and this is an estimate, of course, as they are only re-issued if needed—for the active forces, two; reserve forces, one; cadets, one every two years.

Personally, I use a good many more neckties than two a year. I have been wearing the particular type of necktie I am wearing now for the last six months, and during that period I have used five. Two a year is not excessive. The total consumption for the current fiscal year for all three services is 420,000. Our depot stocks will look after our needs for about the next year or a year and a half. In other words, there are no neckties stockpiled for mobilization. We could fight a war without them.

The next item is serving forks, and with respect to them the Leader of the Opposition said, as reported at page 22 of *Hansard*:

> Then there was the remarkable order for 62,000 large serving forks, three for every five men in uniform. As a result of the publicity directed toward this remarkable piece of extravagance, it was finally scaled down by different stages to 14,500, which some people would think would be a fairly adequate supply of service forks of that kind, particularly when one remembers that these figures include a great many people who were having their meals in their own establishments.

Arthur Blakely in the *Gazette* of October 30 says this:

> Closest the defence department has come to admitting that it pulled a boner was in connection with serving forks. The original order was for 62,000 forks—three for every five men in uniform. Questions were asked in parliament. The order was scaled down to 40,000 . . . Anyway, there were more questions and the department finally decided that 14,500 serving forks would be plenty.

This subject of forks was most adequately dealt with by the deputy minister before the committee on defence expenditures, as set out in the proceedings of the committee at page 388, on June 10, 1952. But I would say this, that the first reference to the matter came in a question put on the order paper, which was answered on November 28, 1951, at which time the answer given was 40,000.

The hon. member for Greenwood (Mr. Macdonnell) brought up the question in committee on December 13 when he said that he had been told it was 63,500, but now this was apparently scaled down to 40,000. This is at page 139 of the proceedings. Then he brought it up again in the house on April 22, as reported at page 1481 of *Hansard*. The hon. member for Spadina (Mr. Croll) said that at the committee meeting that morning—and the hon. member for Greenwood was a member of the committee—a statement was tabled showing the number ordered actually was 14,500.

Here there was a miscalculation by the officer concerned. He calculated the original order by estimating the number required on the basis of one for each six men, for what is called "family style" messing. That is where the food is put on a table, with forms down each side, seating six. You need one or more serving forks for each such table. But since the scale of requirements was worked out on that basis it has been possible for us pretty well across the country to establish the cafeteria style of messing, where we need much less in the way of serving forks. These serving forks cost 49 cents. They are used to serve potatoes, meat and so on, and you need quite a number of them; and the number appears to be reasonable.

The hon. member for Halifax dealt yesterday with the subject of rugs. I wish to mention only one or two things in that connection. Making reference to rugs, the Leader of the Opposition said:

> In less than two years the Department of National Defence has ordered $839,903 of rugs and carpets, which would provide approximately one square yard of rug or carpet for every two members of the active service.

George Bain in the Toronto *Globe and Mail* said:

> In less than two years $839,903 worth of rugs and carpets have been ordered by the Department of National Defence.
>
> On this rug all the thousands of men and women of Canada's active navy, army and air force could be assembled—two to a yard—without crowding.

Well, I hope we can do better than that for the men of the armed forces. I can see no reason why a young man who is brought up in a good home in Canada, and who joins the armed forces, should not have a small square of what is really carpet beside his bed, to cover the cement or the linoleum that is over the cement floor. And that is provided for. I think we do a little better than two to a yard; we have one to a little more than a yard. And also carpets are provided, on the scale that has been mentioned in the committee on defence expenditures, for married quarters in isolated places, because it would cost far more to transport furniture, including the carpets and rugs of dependents up there, than it would for us to pay for one outfit and leave it there. They are also

provided for officers' messes and for recreation rooms on a very limited scale which in no case is extravagant at all.

It should be remembered that during this year we have built or have had under construction over 100 new barracks blocks and places where men are quartered or fed. Consequently this is in the nature of capital outlay which will not be repeated on anything like that scale in future years.

The Leader of the Opposition also referred to teapots. I see that my time is going and I shall not dwell upon it at length. However, I will say that the answer to the question raised in connection with teapots is much similar to that in connection with forks. But the scale of issue can be gathered from the fact that on June 10, 1952, when we checked on the question when it came up before the committee on defence expenditures, we found that at Camp Borden where they have 5,526 men they had a total of 1,962 teapots. That seems a large proportion, possibly; but additional ones were needed there to take care of peak loads of reserve forces when they come in for summer training. But it indicates that, with forces of the size that we have, you need very considerable numbers of articles.

Raincoats were mentioned and almost all these are acquired for mobilization. The number actually needed for issue to members of the C.W.A.C., nursing sisters and so on is estimated at 3,950 for the current year.

Reference was made to the packaging of plumbing fixtures; this is for packaging of stores of certain plumbing fixtures that would be necessary in the prefabricated houses we are acquiring in connection with needs for mobilization.

I think I have mentioned all the articles to which the Leader of the Opposition referred, or that have been mentioned by other hon. members since the session began. There have been a number of others referred to by the press, for example paper napkins. We are accused of having spent extravagantly the sum of $11,000 on paper napkins. The newspapers said that this was a pretty large number of paper napkins. No doubt it is; but we provide a large number of meals. About 40,000 out of the 100,000 men on strength eat in, and they get three meals a day. That makes 120,000 meals per day, or 840,000 per week, or 43,680,000 per year.

Mr. Brooks: Do they get fresh napkins at every meal?

Mr. Claxton: Yes, paper napkins—and so do most everybody else who use them. Would you think that they would wrap them up and carry them home, or does the hon. member for Royal (Mr. Brooks) suggest that they should share them? The number of napkins covered by this order amounted to 18,400,000, so that the order, costing $11,000 for paper napkins, will meet the needs of the armed forces for about seven months, at which time we will have another order.

Now, I have spent a good deal of time discussing these articles. I did not think it would be necessary, because what we have been doing is in accordance with the policy declared and, so far as I know, acquiesced in by the house. For some five or six years members of the opposition have spent a good deal of their time saying that we are not doing enough. Now they seem to be saying that we are doing too much. But once again I ask hon. members where we would be, and where I would be in my position of responsibility in the preparation of this country to meet an emergency, should one arise, if we were not doing just about what we are doing with regard to these matters.

Once again, the matter is under continuous review. If in respect of any of these articles we have one too many, we can take it into stock, issue it, and we can get rid of the whole lot within the period of about a year of current use. This is, therefore, part of the cost of insurance for peace. That is all that our defence expenditures are, whether they be on personnel, on ships, on aircraft or guns or food or barrack stores and clothing. The people of this country must appreciate that with 100,000 in the active forces engaged in a war to stop aggression in Korea, and engaged as part of the integrated forces in western Europe standing there to prevent aggression, we are having to incur some rather heavy expenditures over a considerable length of time. We are doing that in co-operation with our neighbours, in co-operation with the United Nations and in co-operation with the North Atlantic alliance. We are doing this because we believe it is the one way in which we can preserve peace, have security and have that kind of country in which we want our children to live.

Mr. Fleming: Mr. Speaker, I wonder if the minister would permit a question which arises out of a statement made by the Prime Minister (Mr. St. Laurent). In fairness to the minister, I think I should bring it to his attention. At page 39 of *Hansard* for November 24 after he had been speaking about the purchase of neckties, the Prime Minister said:

> It may well be that the officers in the requisitioning departments, having that in mind, did order more than the minister would have sanctioned, had it come to his attention, or that the deputy minister would have sanctioned had it come to his attention.

May I ask the minister if those orders came to his attention before they were placed?

Mr. Claxton: That is the kind of question we can go into very satisfactorily and at length before the committee on defence expenditures. Since the member has put it, I want to answer it. The practice with regard to these big programs is that we discuss them within the department, at cabinet defence committee and in cabinet. As a general principle, it was decided that we should acquire a certain amount of mobilization stores. I signed a requisition on my colleague the Minister of Defence Production (Mr. Howe) for certain mobilization stores. The individual orders for individual items were subsequently sent to him and reviewed by the deputy minister or by myself, either at the time or later, but they have all been reviewed at one time or another.

An hon. Member: Who is right?

Mr. Claxton: The Prime Minister said "it may well be—"

Mr. Graydon: He said it may well be that it was a mistake.

Mr. Cruickshank: Oh, no, he did not.

Mr. Graydon: I have it right here.

Mr. Howe: My flippant friend.

Mr. Dickey: Read about it in the defence expenditures committee.

Mr. Graydon: I am reading what the Prime Minister said.

Mr. J. A. Ross (Souris): May I first offer my congratulations, Mr. Speaker, to the mover (Mr. Deslieres) and seconder (Mr. Schneider) of the address in reply to the speech from the throne. I feel that they performed their duties ably, although there will be a great difference of opinion as to some of the observations made by both of those speakers. I should like also to concur in what has been said by the Leader of the Opposition (Mr. Drew), by the Prime Minister (Mr. St. Laurent) and others about that part of His Excellency's address concerning the coronation which is to take place in the old country next June. I should like, too, to concur in what the Leader of the Opposition, the Prime Minister and others have been saying about our pride in our fighting forces both within and from this nation of Canada. I do not think there is any issue within this house about that. We are all extremely proud of those fighting forces of ours.

Mr. Dickey: How about the arm chair army?

Mr. Ross (Souris): They are well outfitted, but there has been great waste and extravagant expenditure taking place.

An hon. Member: That is a matter of opinion.

Mr. Ross (Souris): I was going to say that that is a matter of opinion, and I am one of those who have some criticism about the wasteful expenditures in procuring equipment.

Mr. Dickey: What are they?

Mr. Ross (Souris): You will have a chance to get up and tell your story.

Mr. Dickey: I have been up during this debate.

Mr. Ross (Souris): Yes, and it was not so convincing, either.

Mr. Graydon: You want to convince the Prime Minister; he is the one you want to convince.

Mr. Dickey: Go on, what are they?

Mr. Ross (Souris): In comparison with some of the Prime Minister's speeches to which I have listened and which I have read in the newspapers in the past few months, I believe the first paragraph in the speech from the throne is rather creating a new pattern. I presume he is now undertaking to make it easier for the Minister of Finance (Mr. Abbott) to bring in his new budget during this session. On several occasions I had heard the Prime Minister point out to the people of Canada that, with the great threat of war and the cost of national defence, we could not expect any cuts in taxation. Now, in the first paragraph of the speech from the throne it is stated that there are signs of a lessening of the danger of an outbreak of war on a global scale. I think he is preparing the picture for a reduction that we may expect in the next budget. I am not objecting to a reduction, but it is too late.

During past sessions we have listened to the Minister of Finance tell us about his theories on cyclical budgeting. We have come to learn that he did have a plan which meant excessive taxation for three, four or perhaps five years, and then a very fine reduction on the eve of an election. I believe that the people can count on that during this session of parliament. I am one of those who believe that there has been excessive taxation in this country. Economists have pointed out how much that has cost the heads of families and individuals in this country, but I do not intend to repeat those figures.

Just before I rose I listened to the Minister of National Defence (Mr. Claxton) reply to certain statements which had been made during this debate. I think there is still a misunderstanding or a difference of opinion

between the Prime Minister and the Minister of National Defence, because the other day I followed the Prime Minister rather closely. He dealt with the subject of overtaxation at some length. During the discussion of the estimates in this house I recall that the Minister of Trade and Commerce (Mr. Howe) pointed out to the hon. member for Greenwood (Mr. Macdonnell) that we might save a million dollars; but during these times what is a million dollars? Well, the Prime Minister goes a long way beyond that, because in his speech about overtaxation he referred to a request for a commission somewhat like the Hoover commission. He pointed out that by such means you could not save $500 million or $600 million. He doubted if it would reach $100 million. We have had inflation in this country, but I did not know it had reached the extent that we could jump from one million to one hundred million, as the Prime Minister did the other day. Speaking in this debate he mentioned the possible saving that might result from a commission such as the Hoover commission being set up in Canada and pointed out that the whole amount to which such a commission of inquiry would apply is something of the order of $621 million. The Prime Minister went on to say, as found at page 43 of *Hansard*:

> It would be rather difficult, therefore, to squeeze $500 million out of that. I submit it would be difficult to squeeze $100 million out of it, unless some of these services were going to be eliminated.

But the Prime Minister certainly does say by inference that there is $100 million being wasted that might well be saved for the taxpayers.

An hon. Member: Oh, no.

Mr. Ross (Souris): I have put his exact words on the record—

An hon. Member: Brilliant.

Mr. Ross (Souris): —and he has given the figure of $100 million as the amount that might be saved. That is his guess. It could be that it is wishful thinking on the part of the Prime Minister.

Mr. Dickey: Your wishful thinking.

Mr. Ross (Souris): With respect to the figures given this afternoon, we have had a set of figures placed on the record, and without repeating them all may I say that I have been told on very good authority that it is costing the taxpayers of Canada $17,000 per man in the armed services of this country per year. That is approximately one-third higher than the figure for the United States. It is the highest figure for the armed services of any nation in the world today. I think it is recognized that the civilian citizens of that great nation to the south of us enjoy a higher standard of living than we do in Canada. Yet our cost per man in the armed services is one-third higher than the cost per man in the United States.

Mr. Campney: What is your authority?

An hon. Member: Go ahead.

Mr. Ross (Souris): Have you a question to ask?

Mr. Graydon: Get a microphone before you start to ask questions. We cannot hear you.

Mr. Ross (Souris): It was pointed out in the throne speech the other day that there is still a great threat of war and a national emergency. It is intimated in the speech from the throne that the Emergency Powers Act will be continued for another year. I think that gives us an idea of the serious state of affairs prevailing at the present time.

I wish to deal now with the agricultural situation in Canada at the present time. It is most unsatisfactory and there is great fear amongst agricultural producers from coast to coast with respect to their future. The speech from the throne refers to the fact that early in 1953 negotiations will be carried on in Washington for a new international wheat agreement to replace the existing agreement which expires on July 31 next. It continues with these words:

> You will be asked to consider amendments to the Canadian Wheat Board Act.

I think that is a very important item. It may seem rather strange that during the past year food production in Canada has been the highest in the history of this nation. According to government statistics, I believe that the total farm output is some 15 per cent higher than any previous record. That is a serious fact because the cost of production for farm operators has steadily increased while selling prices for their produce have decreased to a great extent. In fact the Department of Agriculture has issued a statement pointing out that food production is 15 per cent greater than any previous year, the next highest year being 1942.

It is true that we were very unfortunate in having an outbreak of foot-and-mouth disease in Canada and we are most fortunate that it was cleared up as rapidly as it was; but

nevertheless our beef producers in particular have suffered greatly as a result of the embargo imposed. So far as farm costs are concerned, I should like to refer to an editorial in the Winnipeg *Free Press* of October 20 headed "Farm Costs". The article reads in part as follows:

> Our correspondent points out that in the past fifteen months the price index of all goods, the machinery, gasoline, oil and other items the farmers must buy, has risen sharply. At the same time the price index of all that the farmer has to sell—wheat, livestock, feeds, etc.,—has gone down. The difference is quite marked. The price index for what the farmer has to sell has fallen from 295·1 in August, 1951 to 259·7 in August, 1952. Against this the price index for what the farmer must buy has gone up from 237·8 in August, 1951, to 243·4 in August, 1952.
>
> Further, and this is of major importance, the drop in farm prices is chiefly right here in the west. The farmers of the east have not felt the pinch to anything like the same degree. Herein is food for thought. As the prairie farmer sells his products and buys his supplies, he will do well to ask himself why his dollars are shrinking.

The article goes on to deal with the international exchange situation and the fact that the farmers have been subsidizing the consumers of Canada and of other nations so far as the price of their wheat is concerned. It points out that under the international wheat agreement western wheat farmers have suffered a loss of 44 cents a bushel and are doing so today under that agreement. It is a rather lengthy article and I shall not quote from it further, but I wish to point out at this time, in view of past arguments in the house, that as a new international wheat agreement is to be arranged in the next few months the experience we had under the other agreement should be taken into consideration. The farmers of the west took a great loss of money and when organizations asked the Minister of Trade and Commerce (Mr. Howe) if the deal could be renegotiated before the completion of the term of the agreement his advice was that it could not be done.

I think that in the new agreement there should be an escalator clause providing for renegotiation. Great inflation has taken place in Canada since the agreement was first put into effect and I think some provision against that should be made in the new international wheat agreement. With the great surplus of wheat in this country, probably the greatest we have ever had, I believe that the wheat producers of the prairies want a new agreement of some kind. I am not as optimistic as the Minister of Trade and Commerce about getting rid of the great surplus in the near future, and I think we may have difficulties if we have another normal crop next year. Therefore I hope that in the negotiation of the new international wheat agreement these things will be taken into account and that its provisions will be more elastic so that if costs increase greatly, as they have in the past, that may be taken into account and not have a static agreement in force for a number of years.

I referred to the fact that under the international wheat agreement we were losing 44 cents a bushel compared with the recognized market price. On the day that the house opened I find, according to the Searle grain index report, that a farmer in Portal, North Dakota, on their side of the street, received $2.12¼ for a bushel of wheat while a Canadian farmer who sold his wheat in North Portal, Saskatchewan, on the same day received $1.23 a bushel. In all fairness, I should point out that that farmer hopes to receive a further payment as this was only the initial payment at that particular time.

Mr. Howe: Don't strain yourself to be fair.

Mr. Ross (Souris): I have always tried to be fair and I am happy to say that I have not strained myself yet.

An hon. Member: You would have the farmer sell his own wheat.

Mr. Ross (Souris): I am not advocating that the farmer should sell his own wheat although I am one person who thinks that he should have an alternative market. He should not be so hamstrung as he has been under the international wheat agreement. While you are talking about his selling his own wheat, may I say that I think he should also have the opportunity to sell his feed. That affects the eastern farmers very much because there is too great a disparity altogether at some point between what the western producer receives for his coarse grain and what the eastern livestock feeder has to pay for it. It is all handled through the Canadian wheat board and it is not all speculation either, because if it was there should not be these great differences between what the western producer does receive ultimately and what the feeder has to pay for feed. I cannot tell you just where the trouble is but I think there is real room for investigation of that very unhealthy situation.

With respect to the matter of livestock prices, according to the dominion bureau of statistics the Canadian livestock prices have slumped in 1952 as compared with 1951 by 37·3 per cent. That is a drastic reduction in one year's time in this country. We have heard a great deal about floor prices on livestock in this country. I am one of those who believe that the floor prices as operated on beef in this country have been very, very unsatisfactory. In fact on a great deal of fat beef today they are just inoperative. I think probably they do attempt to operate them on choice steers but if you were to go into the St. Boniface market today you would see fat cows being sold for several cents under the schedule of floor prices. On fat beef, cows and young stock, the situation is very chaotic. I wish to refer to a press article which appeared back in September when a number of people thought they should sell livestock to assist in meeting the cost of their harvest operation. This is an article by Mr. Trepel, president of the livestock commission at that time. He is neither a packer nor a producer and I think it makes a difference to your approach to the floor prices—depending on whether you are in the packing business or a livestock producer. It is a rather lengthy article but on down in the report it states:

Challenges Gardiner

Mr. Trepel took issue with a recent Regina statement by Mr. Gardiner regarding maintenance of beef floors.

Following last week's general price slump at the union stockyards here, Mr. Trepel said, good light steers are again selling at "or slightly above" the floor. But heavy steers, heifers and cows are still selling at $2 to $3 below floor levels, he added.

Mr. Trepel estimated that Winnipeg area marketings were 20 per cent greater than could be absorbed at "reasonable prices". The surplus of heavy beef animals was averaging about 1,200 head weekly, or about 18 cars of dressed beef, Mr. Trepel said.

During the summer months, the exchange president said, government allocations to packers for the purchase of this surplus beef at floor prices had been a major factor in keeping beef prices steady. But for the week ending August 29, Mr. Trepel revealed, government allocations among the five large packing houses in this area dropped to less than one car. The allocation was doubled for the week ending September 6, he added.

He goes on to deal with government purchases and he points out that you cannot even expect the packers to pay the steady prices unless the government is prepared to carry out its announced policy—which it was not doing at that time and which it is not doing today in those yards and, I am informed, in many other yards in this country—other than on choice steers. As a result, there is a very great fear among the livestock producers in this country from coast to coast regarding their future operations. I agree that a great deal does depend on the lifting of the embargo in the U.S.A., but with respect to the operation of these floor prices, right from their announcement to the present time, they have not been satisfactory to the beef producers right across Canada who are very disturbed about the situation.

During the past few years we have lost our overseas markets for practically all our agricultural products except wheat. Our British market for bacon, cheese, apples, poultry, and coarse grains has disappeared. We have requested by resolution that the Canadian government take steps to arrange a British commonwealth conference on trade but we have been consistently voted down by the supporters of our Canadian government. The Prime Minister (Mr. St. Laurent) and the Minister of Finance (Mr. Abbott) are now away to Britain at the invitation of the British government, and I am sure every member of this house and every citizen of Canada sincerely hope that some good may accrue with respect to future markets, especially for the agricultural production of this country; because it is only a matter of time, if agriculture suffers a depression, until that affects all other businesses in this nation. It is of more or less importance to every citizen of the nation.

Added to these difficulties with the farmers we have repeated requests by the railways for increased freight rates. Farm organizations of all sorts, especially those in western Canada, have been sending resolutions to their members protesting against further increases in freight rates—and I think quite rightly so because every time there is an increase that adds to the cost of production on every farm in western Canada and it lessens the sale price for their produce. Every implement and other matter entering into farm production has freight added to its cost but in grain marketing they deduct the freight to the head of the lakes. Every western farmer gets the increase both ways. On behalf of those organizations I want to press as much as I can against the granting of any further increase in freight rates during these times.

In the throne speech there is reference to amendment of the Farm Improvement Loans Act and before that measure is prepared for introduction I want to suggest that the ceiling

of $3,000 which can be obtained as a farm improvement loan is not now high enough. When this matter was introduced some years ago inflation had not developed to the extent it has now. You could buy a self-propelled combine for about half the money it costs today, and I think that should be taken into consideration. Last year an amendment to the Canadian Farm Loan Act was passed which I think about doubled the ceiling on the loan to an individual. I think much the same thing should be done in dealing with the farm improvement loan in view of advancing costs in recent years. I hope those responsible will take this suggestion into account when they are dealing with the matter at this session of parliament.

There is another matter to which I wish to refer—the international peace garden. I am sorry that the Minister of Resources and Development (Mr. Winters) is not present now. A great many of us have taken this matter up with him but he cannot see his way clear to leave the grant in his estimates for the present year as it has been in the past. A great many organizations are interested in the international peace garden and in the past our government has made a small grant of $15,000 towards its development and maintenance; and the United States has made a grant of $100,000. Many organizations have interested themselves in this very fine project which is on the international boundary just halfway across Canada and midway on the North American continent. Just yesterday in the newspapers there appeared an article:

I.O.D.E. Asks Government to Endow Peace Garden

A resolution asking the Canadian government to resume and increase its contribution to the international peace garden was approved at a recent meeting of the executive committee, Imperial Order Daughters of the Empire.

It will be forwarded to Prime Minister St. Laurent and to party leaders in House of Commons.

The federal government indicated it was unwilling to contribute during the present year.

The order said that it found any discontinuance of maintenance of the garden unfair to the United States which recently contributed $100,000.

The active promotion of the peace garden in the form of an international peace garden should be part of any defence program, the resolution concluded.

As the Minister of Trade and Commerce (Mr. Howe) is in his seat he might kindly point this out to his colleague and, I hope, use his influence so that the grant may be reinstituted for this coming year.

I attended the annual meeting of the directorate of the garden held in September last. The chairman, who puts a great deal of thought and energy into this work—that is Mr. D. G. McKenzie—pointed out that if the government withhold these grants they may have to forgo the extremely fine work that is taking place there. I quite seriously plead with the minister and the government to reinstate this grant to the international peace garden.

There is also another item to which I wish to make reference. I have believed in past years that there should be a standing committee on veterans affairs in this House of Commons. I realize that a great deal has been accomplished over the years on behalf of our veterans of past wars, but the situation with respect to the war veterans allowance especially is still unsatisfactory. The permissible ceiling on veterans' income is altogether too meagre and is unsatisfactory. There are other items which are needing attention, such as the situation of the widow of a pensioner who dies with probably slightly under 50 per cent pension. There are many of these matters which yet need to be rectified, and I sincerely hope that they will be dealt with at this session of parliament. Again I plead that there should be a standing committee on veterans affairs in this House of Commons. I hope serious consideration will be given to that question.

Mr. W. H. McMillan (Welland): Mr. Speaker, when I first entered the House of Commons in January 1951, it was my honour to move the address in reply to the speech from the throne. By experience, therefore, I knew what a formidable task confronted the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address at this session. But they carried out their tasks in an admirable manner and with distinction, and I should like to congratulate them.

At that time I said I was in favour of national health insurance, and I still favour it. I am in agreement with all hon. members who say there should be the present free relationship between the doctor and his patient. I am opposed to state medicine as such, but I should like to see some such scheme as we have now, namely that on the fee for service basis. I resent many implications sometimes made that many people die because of the lack of hospitalization and medical attention. I have been in the practice of medicine and surgery for over 30 years in a highly industrialized community, and not once in that time have I known of one patient who has died because of lack of immediate hospitalization and immediate medical care when it was necessary.

It is argued that many people do not go to doctors because of financial reasons. I believe this to be true, but this is not the whole story. Many people who are fully insured consult their doctor late when they have some condition such as cancer, when the symptoms of this condition have been evident to them for a considerable length of time.

I will refer to the medical services in the province of Ontario, because they are the only medical services in Canada with which I am familiar. Most centres have had a great shortage of hospital beds, but this difficulty has been gradually overcome through the co-operation of the federal and provincial governments in helping local centres in hospital construction. In my province the hospitals have always co-operated in admitting serious surgical and medical cases and accident cases. The doctors have co-operated by delaying medical and surgical procedures of election, that is, in cases which could be safely postponed.

The province of Ontario, through successive governments, has developed a high standard of health. The Leader of the Opposition was premier of our province, and I want to pay tribute to his government as well as to other Ontario governments which have brought about this high standard.

As I stated before, the province with the help of the federal government has aided various communities to provide hospital beds. There are many trained personnel engaged in preventive medicine, and many thousands of dollars worth of preventives such as vaccines, serums and toxoids have been provided without direct cost to the individuals. The province also provides or helps to provide many diagnostic and curative services in pathology, mental diseases, tuberculosis, cancer and so on. I might say that the federal government also gives a good deal of help financially in these particular services.

When we discuss health insurance I realize that we are dealing with a matter which lies within the jurisdiction of the provinces themselves, and that to bring about health insurance on a national scale would involve consultation and agreement with the provinces. I understand that this government has consulted the provinces and has invited briefs and opinions on this subject. I also understand that the last brief or opinion has been submitted within the last few months, I think probably since the last session of parliament. I am told that only two provincial governments were in favour of its immediate adoption, while the rest of the provinces either were opposed to it or thought the time was not opportune, or had other reasons for not agreeing. Until such time as more of our provinces signify their intention of full co-operation with regard to national health insurance, and having in mind all the financial obligations now assumed by the three levels of government, namely federal, provincial and municipal, I feel that the passing of this subamendment would have little meaning as far as national health insurance itself is concerned.

By its national health plan our federal government has done a great deal to raise the health standards of our people by means of large grants to the provinces; they have helped to raise the standard of medicine in almost all its phases. I think national health insurance would be extremely popular with the people, but I do not see how we can be constitutional in passing legislation with respect to a matter which is outside our jurisdiction until we get some agreement with the provinces; and to me it does not seem evident that we can get this agreement at this time.

Earlier I referred to the fact that claims were made that many people had died because they did not get proper hospitalization. I want to refer to *Hansard*, page 78, where the hon. member for York South (Mr. Noseworthy) is reported as follows, though I am sure he did not mean exactly what it says here:

> You know the freedom we enjoy under our present medical system? Forty-one babies out of every thousand who were born in Canada in 1950 had the freedom to die because there was no national health insurance program to help save their lives.

He went further, but to me that statement rather implies that the whole forty-one died because we did not have national health insurance. It is true that he quoted statistics further on, stating that twenty in a thousand died in one country, while in England the mortality was thirty-one in a thousand. But I think he forgets that in our country, in the northern outposts, in the sparsely settled areas, medical attention is not always obtainable. When he says that forty-one in a thousand had their freedom to die, he forgets certain conditions, which occur quite often, such as malformation and so forth in the new-born which have baffled the medical profession, and which in my opinion will always baffle the medical profession.

We would like to save every one of those forty-one in a thousand who die, but unfortunately this cannot be done. Even in our very best equipped hospitals they have quite a mortality rate.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, before dealing with the subject that I wish particularly to bring to your attention this afternoon, I should like to say just a word or two about the remarks of the Minister of National Defence (Mr. Claxton). I think this house and this opposition may congratulate themselves that they have produced at least some action, because it was only on Monday that the Prime Minister (Mr. St. Laurent) told us that the ministers concerned, namely the Minister of National Defence and the Minister of Defence Production (Mr. Howe), did not have too much

time to reply to criticisms. I was surprised to hear the Prime Minister say that. He did not seem to indicate there were not criticisms, but that there was no time to reply. At any rate the Minister of National Defence has given us a reply this afternoon.

I propose to make only one or two comments on it. I think he was quite right in outlining to us the general principles which govern, and he was certainly right in saying that the question was a matter of judgment. With the additional information which he has given the citizens of Canada will be able to arrive at a better conclusion, and that is all to the good. One is inclined, perhaps, to assess the judgment of those in authority by the things which happen to be most familiar to oneself.

I did make somewhat of a study of serving forks. I do not propose to weary the house with it at any length. My real feeling was that a great mistake had been made, and I should have been greatly reassured if instead of doing what seemed to me to be twisting and squirming and trying to avoid coming out and saying they were wrong, the department had said: Look, we made a mistake. Well, in effect, after all these months they are saying that now, and my only comment is that I would have been far more reassured if they had said it earlier. No doubt that will affect the judgment of other people also.

We have the various things that the minister defended this afternoon, and I am not going into them any further. There is one final comment I should like to make. He is a very extravagant man in the matter of neckties, judging by my standards, having worn five neckties in an incredibly short time; but I am not suggesting that that unfits him to be Minister of National Defence.

I wish to pay my tribute to the mover (Mr. Deslieres) and seconder (Mr. Schneider) of the address. The making of one's first speech in this house is not an easy thing, and when to that is added the responsibility of being the mover and seconder of the address, I am sure it must be an additional burden. They may, perhaps, have this advantage over the rest of us. I suppose they can get more research assistance than the rest of us in order to make speeches of so much importance.

The Prime Minister said on Monday last—and I was surprised to hear him say it—"I do not think there has been any overtaxation." In saying that I think the Prime Minister is in a small minority, I would almost guess a minority of one in this house. Certainly I think if he set out to find citizens who do not object to the present taxation he would be in great difficulty. There was an ancient gentleman called Diogenes who went around carrying a lantern, looking for an honest man. If the Prime Minister wants to find a satisfied taxpayer he would need a light very much stronger than the lantern which Diogenes had. If only I could have your authority, Mr. Speaker, to poll the Liberal members of this house and to ask them if they and their constituents are satisfied taxpayers, I would have no doubt whatever as to the result. I am sure none of them would be prepared to say publicly that their taxpayers were satisfied; and if one by some magic could only pass invisibly into the Liberal caucus and listen to what goes on I am sure one would learn a great many interesting things about their attitude in the matter of taxation. The truth of the matter is that the ordinary citizen is tax angry, inflation angry and waste angry. I do not for a minute think the members of the cabinet are so stupid that they are not tax conscious, tax fearful and perhaps at times a little tax panicky.

I think there are three main reasons why public feeling is aroused as it is. First of all there is the actual size of expenditures which the federal government is making. Second, there is the old question of the surplus; and third, there is the question of waste, or to use the word used by the Winnipeg *Free Press*, profligacy, when we take the actual amount, $4,800 million or thereabouts. I should like to suggest to the house one or two yardsticks which I think would be of interest, some of which I actually used in the spring. I then compared the public expenditure of $4,800 million with the manufacturing output of this country for 1950, which was close to the same amount, $4,378 million, and with the agricultural output of the same year, which was $1,792 million or only about one-third as much.

Next I should like to point out that the federal expenditure will be as much as the personal income of the citizens of Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Manitoba, Alberta and British Columbia; in other words, of all the provinces except Ontario, Quebec and Saskatchewan. If you include provincial and municipal taxation, that would equal more than the amount of Saskatchewan's expenditure; so that if you actually took all the taxation it would equal all the income of all the provinces except Ontario and Quebec.

Now, personal income is not exactly the same as total income, net national income as it is called, but it is closer to it than I realized. Actually, in the year 1950, the personal income amounted to $13,004 million odd, and

the net national income to $14,004 million odd. Therefore it is very close to being the net national income figure.

There is one further figure I should like to give, namely to make a comparison with the federal expenditures over the years that are past. Actually the expenditure this year will be the equivalent of federal government expenditure from the year 1868 till 1916; in other words, approximately 50 years. Now, I am not suggesting that those illustrations I have given prove anything exactly, but I think they are disturbing. I believe the public naturally feels uneasy when they see these huge figures. I think it was the Winnipeg *Free Press* that used the word "appalling" with regard to them—and they are appalling.

If you look at them from another point of view you find that the Minister of Finance (Mr. Abbott) is now, in effect, a majority shareholder of every corporation in Canada, because he is actually getting the lion's share of the income. He himself deprecated that and said he regretted it, and that it was unsound. Nevertheless it was done. I do not suppose we can describe him exactly as a sleeping partner, but if he were a sleeping partner I think we ought to hope that he would not wake up, or he might take the whole thing.

Then a word about surpluses. This subject has been discussed at length and I will not go into it to any considerable extent, more than to say that I think the public has been very critical of surpluses, particularly at a time when they feel they are straining every effort to meet the huge defence bill. Therefore the argument we hear about the desirability of paying off the debt—an argument which I think we recognize as well as anybody else—has to be measured against the tremendous load we are carrying, the tremendous strain on the ordinary taxpayer, and his natural irritation at finding that sums which look to him vast—sums which not so long ago were considered vast—have been taken, over and above what was needed.

We are given, again, at the end of October a surplus figure of $287 million. The Minister of Finance comments on that by saying that he thinks it will change before the end of the year. Indeed, he said he would be glad if he reaches the end of the year without a deficit. Of course the trouble about that is that people have heard this so often that the old phrase "Once bitten, twice shy" would seem to apply. Indeed if you are bitten three or four times you become more than twice shy; you become very concerned. One naturally feels that these mistakes which have been made ought to have set up a standard by which people could calculate, and that the department ought to be able to make a calculation from its old mistakes. I have mentioned before the old story of the Irishman who said, "When the clock strikes nine the hands are at seven, and then I know it's twenty minutes to eleven."

However that may be, the feeling is that these surpluses which pop up year after year are not things to be proud of, that they do not reflect accurate budgeting and that, in fact, they are bearing unnecessarily hard on the ordinary taxpayer.

I come now to waste and extravagance, and in this respect shall be brief. If we can judge as to the validity of the charge of waste and extravagance from the very inadequate answers that have been made, then it seems to me that those charges are more than fully justified. I am not referring now to what was said this afternoon by the Minister of National Defence (Mr. Claxton), but rather to other items brought to the attention of the house last spring, and again brought to its attention the other day.

There is the question of the huge amounts spent for publicity and removal expenses, the huge amounts spent for telegraph and telephone charges in the army, as well as other means of communication. Last spring I mentioned these items, and pointed out that they totalled somewhere about $70 million. They were mentioned of course only as samples, to illustrate the kind of extravagance which many believe exist, and which I feel the public of Canada are coming to resent very strongly.

Actually I had a search made, and I think no answer of any kind has been made by any minister with respect to those three points. I do not think there was any answer made. It would not be fair, exactly, to say that the Prime Minister (Mr. St. Laurent) answered the other day, although he did refer to one item. He referred to the item of travelling and removal expenses, but I could not understand what was going on in his mind; because when he discussed this item he suggested that if it were entirely stricken out it would be a strange thing, something of which we would not approve. For example, he said that the item for removal and travelling included the money spent to cover the return of troops from Korea, of which we all approve. But the Prime Minister seemed to avoid or even to evade entirely the question which was raised, which was not that of deleting these items altogether, not the suggestion that there should be nothing for travelling expenses, but that a serious attempt should be considered to assess the amount.

As I say, this has not been done. Indeed, it was at that time that the Prime Minister, speaking in general, said that the ministers I have mentioned—the Minister of National Defence and the Minister of Defence Production—"do not have too much time to reply to criticisms." It seemed to me that the Prime Minister was going over the situation with a feather duster when what we actually wanted was a housecleaning. We were left with only this trivial, this very superficial way of dealing with the situation. I think it would not be disrespectful to the Prime Minister to say that, in spite of his conciliatory manner and his delicate phrasing, in plain words he did not deal with the matter at all.

There are two possible explanations of this: One is that there is no answer, and that it is thought better to steer away from these things; the other—and those of us in the opposition have suggested this—that the government are really too pleased with themselves, too intent on their own ideas to pay any attention to what anyone else says, and are content to puff themselves up and say, "We are the government, and that is what we are doing; don't bother us."

That is an attitude which those of us on this side of the house frequently criticize. I suggest that that attitude may be present here again, as it has been in the past. There is of course another possibility, and that is that the government is repeating what it did some years ago. It may be that they feel they can spend our money much better than we can spend it ourselves, that they are regarding it as a good thing to have this heavy measure of taxation, this burden, so that we will not be foolish in using our money. That came up in March of 1949 when the Minister of Finance was making the somewhat difficult explanation he had to make at that time as to why in 1949 there would be a tax reduction when he had been at such great pains just a year earlier to explain that he could not give any tax reduction. At that time he gave a most interesting explanation upon which, I suggest, we might reflect. These are his words as they are reported at page 2183 of *Hansard* for 1949, upon which occasion I quoted the minister's words as they had been reported in *Hansard* for 1948. At that time he said that—

> . . . large tax reductions last year would have come too early to be of real value—

And when the applause from that had subsided he went on to say:

> —to the public as a whole, because the public's expenditure, even without tax reductions, was large enough to buy everything available.

That explanation, interesting as it may be, and satisfying as it may be to the minister, will be profoundly unsatisfying to the ordinary citizen of Canada. He does not like to be told that, really, father knows best, that the taxpayer has too much money, and that the government is taking some of it away from him.

I should like to digress for a moment to speak briefly about taxation in general, and about one or two of the principles I think we should have in mind. In the first place I think we should remember, when we are discussing taxation, that we are not merely discussing personal difficulties, our own difficulties, the question as to whether A is taxed too high or B has received unfair relief that A does not have. We are dealing with something much broader than that. We are dealing with the happiness and welfare of citizens, with justice between man and man, and the whole question of freedom. It is this last about which I should like to say a word.

There is a great tendency, and we see it in connection with dominion-provincial relations, for rulers of states to conduct themselves in such a way as to concentrate the taxing power in their own hands, and thus increase more and more the personal power which they have. It is interesting to go back some forty years to what I suppose may be called the rather earlier days of British socialism. Sidney Webb, a well-known socialist at that time, had this to say:

> A large part of what we call taxation is merely the collective ownership of a portion of the income of the country.

He went on to indicate that he hoped for "a progressive transfer of more and more" of the income of individuals from their own control to government control. Indeed, he went beyond that and said it was perfectly obvious—this was in England in 1913—that people were spending their money foolishly and that hundreds of millions of pounds were being spent that might be better spent in other ways. He probably included the lighter side of life which as a serious student he did not regard in a favourable light. By a curious coincidence I met a man who, as a boy, knew Sidney Webb, and who said he would be very much surprised if he were sufficiently against the lighter side of life that he was not prepared to take a drink.

However, what I want to comment on is that I do not think socialists of that day such as Webb and his friends, who were high-minded people and had their thoughts concentrated upon the better world which they thought their socialist doctrine was going to

bring, visualized what has become so clear to us in the interval; that is, the tremendous concentration of power which is inevitable as government acquires more and more of the national income. In that connection there is a very interesting quotation from the same author the hon. member for Eglinton (Mr. Fleming) quoted yesterday, the distinguished French author Bertrand de Jouvenel, who was lecturing at Cambridge. This book is a reprint of a couple of lectures he gave. He said some things which I think are of interest and which go to the root of the problem which concerns so many of us in this house. He said:

> Rulers of course tend to believe that the greater fraction of private income they can draw into the treasury, the better for the community as a whole.

Then he asks this ironical question:

> Are they not the best judges of the common interest which the individual, sunk in his selfish pursuits, cannot perceive.

Then he goes on and adds this by way of answer:

> Taxpayers have shown through the centuries little understanding of the superior capacity of their rulers to spend the citizens' earnings and have obdurately maintained their right to spend their income in their own manner.

Later again he says:

> The taxpayers' front was then a bulwark of individual freedom and the cornerstone of political liberty. It is remarkable how this front has disintegrated in the last generation.

I think that is a warning, Mr. Speaker, upon which we might well reflect seriously. He said that it is remarkable how this front, the resistance of the individual taxpayer to the constant desire of the government to bring into the treasury as much as they can of the national income, has disintegrated. He says that front has disintegrated in the last generation to a remarkable extent.

Of course we are very familiar here with the use of taxes as an instrument of policy which is constantly augmenting the central power. The central authority is constantly bringing more and more power into its hands, directly and indirectly. Let us take the Canadian Broadcasting Corporation. It does a great deal of good, and let me say that at once before anyone accuses me of not conceding it in advance. But it is a great potential instrument of power, and my experience is that when power is lying around loose there are plenty of people to pick it up and use it.

Along with that goes the question of rewards to various elements in the community for political support. We know what that means. I think most of us believe we are going to see evidence of that next spring. I shall have a little more to say about that before I take my seat. Then, of course, inflation has been a great instrument of policy. The government has used the inflation of currency as an instrument of policy, as something to make it easier for them to pay their way. This leads me to comment on something which is taking place right now, and which I think is a very serious matter indeed.

We have been talking about the high cost of living. I believe we have accepted it as evidence of inflation. We have felt that it is an enemy to be tackled. We have had it constantly before us month after month. These figures have come out, and they have alarmed us. It has always been up to the government each month to say what they are going to do about them. Now all that is going to be changed. The old cost of living index is to disappear and we are to have a new consumer price index. I know how easy it is to argue that that is according to the best dictates of economics. It may be that these new figures are more scientific, although on a rough glance they look very much like the old ones. The great difference is going to be that we are starting now from scratch. Instead of people being reminded year by year or month by month that we are in a highly inflationary economy, month by month and year by year we are going to forget. We are going to start out, as I say, with this new index, this new yardstick, and the government will relieve themselves of this burden by the use of this device. Inflation is now going to be camouflaged and gradually, with the exception of students of economics and I hope members of Her Majesty's loyal opposition, it will tend to be forgotten.

I have tried, Mr. Speaker, to indicate that the people are very annoyed with the tax situation. I believe they are desperately annoyed. I believe everybody in this house, and I might even be bold enough to include the Prime Minister if he were in the house, feels that the question is, what are we going to do about it? Here again I am going to ask you to take a short glance into the past. I would remind you of what happened in 1949, just three and a half years ago. Most of you will remember that in 1948 we had cogent arguments put forth that nothing could be done by way of reducing taxes. In 1949 the minister had quite a task on his hands. He had to distinguish the situation in 1949 from that in 1948, and he had to make a valid argument that after having left us with a lemon in 1948 he could now, in the year 1949, an election year, cut a melon. I will not take you through the minister's various gyrations. They were interesting. He did quite a job of hairsplitting and tightrope walking, but in the end he slipped right off the rope and fell into the real explanation

which appears at page 1795 of *Hansard* for March 22, 1949, and which reads as follows:

> Finally, sir, I should say that I have been led to believe in recent months, as no doubt other hon. members have, that most of the Canadian people would support and even welcome an enlarged measure of tax reduction this year.

You have to admit that is clear. That makes it perfectly clear what the minister is doing. It says virtually in so many words that there is an election coming on and that that is the reason for giving a tax reduction.

Mr. Knowles: Maybe we should have an election every year.

Mr. Macdonnell (Greenwood): That would be of course too wonderful. I should like to draw attention to what the ministers have been saying, and I must admit you cannot accuse our ministers of being idle. They have been going up and down the country talking about many things, and very seldom has one of them got up without mentioning the subject of tax reduction. I think that is very natural because they know as well as any of the rest of us that it is in the minds of everybody and that something must be done about it. I go back to July 5 and the Secretary of State for External Affairs (Mr. Pearson). He was very moderate at that time. He did not get as far as they got later. He was restrained in what he said. The headline is, "Pearson Hopes Defence Taxation May Be Cut Within 'Year or Two' ".

That does not take you very far. That was not very good. On September 10 the Prime Minister was even chillier. He really chilled the people of the country by what he said in Portage la Prairie. He said that Canadians should not look for any big cut in defence bills or taxes as long as present dangers exist. The Prime Minister spoke to us the other day in that frank way of his, but I am always afraid of the Prime Minister when he is being too frank. When he tells you he is not very good at politics I say to myself, "Look out; be careful of that." At any rate in what the Prime Minister said in his speech on September 10 he does not seem, in the judgment of other members of the cabinet, to have been at his political best.

Of course one does not know the considerations which may have been in his mind, but at any rate it was felt that something should be done to improve the situation. A little later the Minister of Finance (Mr. Abbott) was speaking in Montreal, and he introduced a word which is very important. I think it was the first time the word "substantially" has been used. I looked up the word "substantially" in the dictionary and it really imports something very big and important. You can do quite a lot in the way of reducing taxes without coming within the four corners of the word "substantially", so there was just a slight note of hope when the Minister of Finance used the word "substantially" on September 23. I find the following in the Montreal *Star* with respect to what he said at that time:

> . . . we must not delude ourselves with the belief that we can substantially (Mr. Abbott stressed this word) alter the size of the budget or the weight of the tax burden . . .

Well, that was a little better but not much better. Then the genial Postmaster General (Mr. Cote) got into the act on September 29. He carried it one step further, not much but every little bit helps, and every little bit has carried it that much further. According to the report in the Montreal *Star* of September 29 he said:

> The Canadian taxpayer can definitely hope—

Now the word "definitely" comes into it. That is useful too.

> —for a tax cut "in a not too distant future" . . .

Well, there was the word "definitely", but on the other hand the "not too distant future" still left it remote. But there are good things to come and I now wish to refer to a dispatch from Ottawa dated October 11, to be found in the Hamilton *Spectator* of that date. This dispatch followed the visit which the Minister of Finance made to Prince Edward Island. That visit attracted a good deal of attention. I do not see why anyone should be surprised at people going to Prince Edward Island. It is a delightful place to go to, but apparently ministers of finance have not been in the habit of going there. They are strange people anyway, and they have not been in the habit of visiting the island. But the minister went, and his speech there gave a great deal of encouragement to the boys. The account begins like this:

> Finance minister Douglas Abbott's speech in Prince Edward Island this week was seen today as the advance glow of a tax-slashing "sunshine budget" . . .

I must admit when you read what he actually said it may not be as clear as people would like, although later on in the article I read the following:

> In principle the Abbott speech was regarded as pretty well reversing the Brandon speech of a month ago in which the Prime Minister specifically undertook to discourage any hopes at all of major tax cuts.

So you see there is a further step. Then the writer of the article warms to his work and says that there are two conditions now. A new condition is introduced, increased production. I give the Minister of Finance credit for that. I think that just begins to open the door very wide. How are you going to tie him down to anything there? You now have the door open to a cut provided it is

not too substantial and provided there is increased production. That was in Prince Edward Island just before October 11, but by October 20 the Minister of Finance had got out as far as Vancouver. The air of the Pacific had evidently done him a lot of good, because the account in the Ottawa *Citizen* of October 20 begins as follows:

Finance Minister Abbott today forecast boosted production—

There you have it. We can have a tax reduction if there is increased production. The finance minister goes out to Vancouver and I find the following account of what he said with respect to increased production:

Finance Minister Abbott today forecast boosted production, virtually assuring Canadians of tax cuts in the next budget . . . Then, referring to the possibilities of a production boost, he added for the first time: "This, I believe, we can confidently expect."

That brings me very near the end, Mr. Speaker, but I think the end is most important because the Prime Minister, who had sounded a dirge-like note only a month before, when he was sounding the election rallying call to Liberals from coast to coast on October 29 also had something much more cheering to say about the matter of taxation. He said, as found in the Ottawa *Citizen* of October 29:

If we keep increasing our national production,—

There you have it, you see.

—keep strict control of all expenditures, save wherever we can, and do not make too many new demands on government, some relief should be possible . . .

So you see, Mr. Speaker, we are now at the point where the minister will not have nearly as much difficulty in the spring of 1953 as he had in the spring of 1949. He will not have to make all these excuses. He is getting ready now, and I think you have to give him credit for what you might call preparing the ground. The only thing is that I think he should go and tell the Prime Minister not to keep on saying that there has not been any overtaxation. As I say, it would be a very ungenerous man who would not admit that this build-up has been going on; but on the other hand if this is all merely saying that the Minister of Finance can mulct the taxpayers in 1952 in order that he may be generous to them in 1953, then I would say that if the minister comes with his budget speech and asks to be canonized next spring because of giving tax reductions it will be most proper for us to remind him of what has been going on in the last year or two and how he has persisted, despite all the warnings that have been given to him, in wringing unnecessary dollars out of the taxpayers.

[Mr. Macdonnell (Greenwood).]

In the spring of 1951, contrary to our usual practice and only because the situation was so obvious, we suggested to him that he might forgo the additional 2 per cent sales tax that he was putting on then. We suggested that it would raise the cost of living, as it did. We suggested to him then that the amount which he would forgo by giving it up would in all probability be covered by the amount of his surplus, as it was several times over. Therefore I think we should ask the people of Canada to bear all this in mind; and also to remember—and I think this is relevant too—the extent to which it is in the power of the minister to regulate the actual out-turn as he sees fit.

After all we have hundreds of millions of dollars worth of contracts outstanding in the defence department and the Department of Defence Production. It only needs a little slowing of the tempo of work or the time of payment or both to provide large sums which might be available for the election purposes.

I think we may, consequently, expect and assure the voters that these taxes will be maintained until the political cycle, not the economic cycle and not the needs of the voters, gives the signal and suggests a change.

In other words we may expect a change at the time of the next budget, and if it does not come then we will know there will be no election until 1954. Little Jack Horner must pull out a plum before the voter is asked to give his vote.

Mr. H. R. Argue (Assiniboia): I listened very carefully to the Minister of National Defence (Mr. Claxton) this afternoon in the case he made for the government's contention that there is not any undue waste in the Department of National Defence. He said one thing, however, that causes me concern; that was that a great many of the contracts, particularly smaller contracts that are let by the government, do not pass over his desk and he does not himself give these contracts any scrutiny.

I have before me a Department of Defence Production publication of today showing that the number of contracts let between November 1 and November 15 total some $18 million. Of these only two can be taken as large contracts, totalling just over $5½ million. In other words, two-thirds of the $18 million let out in these 120 contracts might be listed as smaller contracts. I think it is absolutely necessary in our system of responsible government that all of the contracts, both large and small, should be given the careful scrutiny of some cabinet minister. If one man only is given the responsibility of checking all these contracts then I think one can say that a great deal of waste is bound to creep in.

I rise, Mr. Speaker, to support along with other members of this group the amendment placed before the house by the hon. member for Rosetown-Biggar (Mr. Coldwell) calling on the government to implement at this session a nation-wide scheme of health insurance. I hope a little later on to discuss some of the problems that are facing agriculture, but I think the whole of what I have to say might be entitled "security". It seems to me that no matter what some political parties believe, the people of Canada are anxious to have the greatest possible amount of security; security in their jobs, security in the prices of the products they produce, security in their old age, and security in time of ill health.

I think it should be the main responsibility of government at this stage of history to provide those measures of security that a country as wealthy as Canada can so well afford. We have asked the government to adopt a scheme of national health insurance. It has already been said in this debate a number of times that this is not a new idea. In fact we in the C.C.F. cannot claim that health insurance was originally our idea. Certainly the Liberal party had the idea of health insurance as long ago as their convention of 1919. When the hon. member for Winnipeg North Centre (Mr. Knowles) last year questioned the Minister of National Health and Welfare (Mr. Martin) as to why the Liberal party had not in 33 years implemented its promise of 1919, the Minister of National Health and Welfare replied that surely he could not be expected and the government could not be expected to inaugurate health insurance overnight. Thirty-three years in my opinion is a night that should be far too long even for a stagnant and immobile Liberal party. Surely after these 33 years of darkness it is about time the Liberal party saw the dawn and provided Canada with an adequate health insurance program.

The proposals which were placed before the provinces in 1945 were in my opinion sound. Those proposals, or proposals like them, should now be offered to any province that is willing to go forward and adopt a system of health insurance. We in the province of Saskatchewan are proud indeed of our hospitalization program. If anything was an issue in the Saskatchewan election this year it certainly was not the hospitalization program; because all parties, as they made certain to say—including the Liberal party—were supporting that program.

Our hospitalization program has not been brought about without a considerable cost both to the provincial treasury and to the individual who must pay, as an adult, a maximum of $10 per year for hospitalization. However, if the government of Canada, the Liberal party, were now prepared to implement its own promises of national health insurance, we in Saskatchewan would be prepared to accept that offer immediately and in the shortest possible time we would have a complete health insurance program in our province. As a matter of fact, our people are so interested in the matter of health that even if this government should continue to delay the provision of health insurance, they are not going to stand still. It will be much more difficult but, step by step, we shall add various health measures to our present hospitalization plan until finally, with or without the help of the federal government, we shall have a health insurance program established in that province. But if we can obtain from the federal treasury, from the federal government, even so much as a hospitalization program in which we can participate, then the moneys which would be released from our own hospitalization program would indeed help us in the province of Saskatchewan to provide medical care, dental care and other health measures in a very short time. No matter what advice the government may receive from the Conservative party, or from the Social Credit party—

Mr. Johnston: Go easy, now.

Mr. Argue: I hear one of the Social Credit members say, "Go easy, now". That is exactly what his leader said to the government: "Go easy on health insurance". The Conservative party says, "Let us have another conference with the provinces". Rather, in my opinion the people of Canada want action. If action is not forthcoming I believe the people of Canada will to a larger extent turn to the C.C.F., a party which when given the opportunity will provide a health insurance program for the people of all Canada.

Mr. Fair: Tell them the truth.

Mr. Argue: Oh, oh; the leader of the Social Credit party said, "Go slow; we do not want to be catapulted into this thing". He said, "Do it gradually".

Mr. Johnston: But efficiently.

Mr. Argue: Yes, efficiently. The C.C.F. say, "Let us do it now". That is the difference in our attitudes.

I also want to support the statement made by the hon. member for Winnipeg North Centre (Mr. Knowles) that our old age pension legislation is today inadequate. Although we are all proud that our elderly citizens reaching the age of 70 can obtain a pension without a means test, nevertheless $40 a

month for our elderly citizens is most inadequate. For a pensioner who has no other source of income, $40 a month today is, in my opinion, nothing less than slow starvation. It certainly is not a pension that is in keeping with the wealth and the production of our nation. A pension of $60 a month at 65, without a means test and adjusted to the cost of living index is, in my opinion, the very minimum that should be provided at this time.

I also want to support the case for the burnt-out pensioner, and urge that the pension should be increased to $60 a month for a single person and $120 a month for a married couple. I would also agree with the proposition put forward by the Canadian Legion that allowable income ceilings should be increased to $1,200 for a single person, and $2,000 for a married person. Certainly those veterans who sacrificed so much in protecting our freedom should be given better treatment than a pension of $50 for a single pensioner and $90 a month for a married pensioner, and they should be allowed to earn without penalty more than the present $10 a month by way of supplementary income.

I feel that there is another ever-increasing gap in our social security program. The Liberal party takes a great deal of credit—and I am not attempting and never have attempted to take away any of that credit—for providing family allowances. But while in 1945 they provided family allowances with one hand, they have been gradually taking them away with the other hand by allowing the cost of living continually to go up without providing corresponding increases in family allowances. If this government believes that their original Family Allowances Act was a good measure, then in my opinion the least they could do would be to protect the purchasing power of the family allowance as first provided by now increasing it by 60 per cent, from a minimum of $5 per month to $8 and from a maximum of $8 a month to $13. Such an increase would constitute a great improvement in our social security program. The money to provide such a program would have to be raised. Probably a good percentage of it could be taken out of the budget surplus if there were no tax reductions made. But I feel that the people of Canada are willing to pay a nominal amount per year, much like an insurance premium, if by so doing they can get adequate protection in time of ill health, in their old age, and if, by so doing, parents will receive some assistance toward providing better food, better clothing and a better education for our young Canadian citizens.

[Mr. Argue.]

I turn now to a discussion of some aspects of the government's policy in relation to agriculture. I believe that the agricultural producer in Canada also wants security. He does not want an extremely high price for his products one year and an extremely low price another year. He desires stability. He wishes to receive for his products a price sufficient to cover his cost of production and to provide the farm family with a standard of living comparable to that of other Canadian citizens.

The other day the government announced the final payment for the 1951 wheat crop. That payment was greeted with a good deal of commendation from farm organizations; I think they were pleased to receive a payment of that size, particularly when they understood the difficulty the wheat board faced in marketing the lower grades of the previous crop. Their commendation, I believe, went mainly to the wheat board, because I do not think the government can take much satisfaction in the total price paid for wheat produced in the year 1951. The total payment for a bushel of wheat produced in 1951 is no more than the price paid for a bushel of wheat produced in 1945. The final payment for No. 1 wheat produced in 1945 was $1.833 a bushel at Fort William. The price for wheat produced in 1951 is exactly the same, right to the decimal point. Yet from 1945 to 1952 the farmer's cost of production went up some 60 per cent, according to the dominion bureau of statistics figures. In 1945 the cost of production index was 152·1; in 1952 it was 243·2. If the wheat producer today were to receive, in relation to the cost of production, an amount equivalent in purchasing power to the price for wheat produced in 1945, he would receive a price of $2.52 a bushel, or an increase of almost 70 cents.

Some factors in keeping the price of 1951 wheat low have been a direct result of the policy of this government. In the year 1948-49 the wheat board received, for wheat sold to the United Kingdom and wheat consumed in Canada, $2 a bushel. From September 1949 until October, 1950 the Canadian dollar was devalued 10 per cent. Therefore, all of the wheat sold under the international wheat agreement and the wheat that went into domestic consumption in the early part of 1950 was paid for at the rate of $1.98 a bushel. But exchange controls were lifted in October, 1950, and the value of the Canadian dollar has been increasing since then. We see the Minister of Finance (Mr. Abbott) and other cabinet ministers going around the country patting themselves on the back and congratulating themselves that the Canadian dollar is worth so much, and is now worth

more than the United States dollar. It may make some Canadians pleased with themselves, when they travel to the United States, to know that they can obtain a little additional United States currency by way of premium. But the increased value of the Canadian dollar has created a real hardship for the western wheat producer. Now with our dollar worth 4 per cent more than the United States dollar rather than 10 per cent less, as it was, it means a loss to the farmer of 25 cents a bushel on every bushel of wheat sold under the international wheat agreement, and every bushel of wheat sold in the domestic market.

The people of Canada should not now expect to obtain wheat at a price that is 25 cents less than the $2 price the Canadian consumer paid back in 1948. It is not right that, with the terrific increase in the cost of production, wheat alone should be sold at a reduced price.

I have never advocated, and I do not expect I ever shall, an increased price to the Canadian people that would place a burden on the lower income groups. But if the government feel that $1.74 a bushel is all the Canadian people can afford to pay for the wheat, then the government, out of the national treasury, should make up that 25 cents a bushel loss to the wheat producers. This government does not need to say it is afraid of subsidies; it does not need to say that it has not considered the cost to certain industries of an appreciating Canadian dollar. On Monday, November 24, the Minister of Finance announced that the government was increasing the subsidy to certain gold mining companies. In part he had this to say, as reported at page 16 of *Hansard*:

> During 1952 the industry's costs have continued to rise. At the same time the appreciation in the exchange rate for the Canadian dollar has meant that for most of the year the mines have received a steadily decreasing return from their sales.

He might well have substituted agriculture for the gold mining industry, because the grain producers of Canada, and of western Canada in particular, are in exactly the same position as the gold mining companies. The costs of production of gold mining companies have risen. The price of their product has not risen to the same extent, but indeed has fallen. The Canadian farmer's cost of production has risen. The price for most of the producers' wheat sold by the wheat board has gone down. If the government can afford to pay the gold mining industry a large subsidy to help them dig gold out of one hole in the ground in Canada merely to have it placed in another hole in the ground in the United States, surely equal assistance should be given for the production of food, which to my way of thinking is much more valuable to the world than is the production of gold.

A couple of days ago I asked the Minister of Trade and Commerce (Mr. Howe) whether the government would consider making an advance on farm-stored grain. In a nutshell the minister's reply was no. His reasons were that the western grain producer is receiving final payments on his grain, and has sold so far this year somewhat more grain than he sold a year ago.

That answer did not satisfy me, at any rate, Mr. Speaker. The time farmers need an advance on farm-stored grain is when they have grain on the farms. It is as simple as that. There is more grain on farms in western Canada today, that farmers are unable to market, than ever before in the history of Canada. The minister said: "Oh, well, the farmers can go to the banks." A year ago farmers had difficulty harvesting and selling their grain and the minister said the same thing. He then said "The farmers can go to the banks." But in order to persuade the banks to lend some money to the farmers he had to guarantee the banks 25 per cent of their aggregate loans. I have been told, and on good authority, that the wheat pool organization was prepared to advance money to farmers on farm-stored grain for an aggregate guarantee of 2½ per cent of the loans made. Instead, the government said: "We will do it through the banks, and we shall make the guarantees to the banks ten times as great as the guarantee asked for by the wheat pool organization."

The average farmer in western Canada today, even though he has 2,000, 3,000 or 4,000 bushels of grain on his farm, cannot go to the bank and get a loan on that grain because the proceeds the farmers will receive when that grain is sold are already committed, already owing in many instances. The average farmer will owe a store bill; he will owe the local implement dealer, the local dealer in petroleum products. He may well have substantial payments coming due on new farm machinery that he has purchased, he will have to pay his taxes and buy his winter's supplies. If the average farmer sold all of his crop tomorrow morning, 24 hours later he would have very little cash on hand because he would have paid his bills in his local town, paid any moneys that were due on the farm implements, paid his taxes and put a little aside for family supplies and other farm expenses.

The average farmer cannot go to the bank and get a loan because bankers seem to many a strange sort of people in doing business. If you go to a banker and prove to him that you do not need a loan at all, that you have some cash at home, that you have very few debts, he will say: "Fellow, I will give you just about anything you ask for." But if another farmer goes in and says to the banker: "Look, I owe the storekeeper $500 and the oil dealer $500; I owe $3,000 on my new self-propelled combine; I owe $500 taxes, and I have 4,000 bushels of grain on the farm." He will say: "You are not a very good risk; you already owe a great deal. I do not think you need the money." That is why I say, Mr. Speaker, that farmers should be able to obtain an advance on farm-stored grain; such provision should be part of a permanent agricultural policy.

The farmer in the United States can obtain a loan on farm-stored grain. I do not think there is any great risk involved at all. Farmers, like other groups in Canada, are essentially honest. They will protect the quality of the grain they have in store. There is not one in a hundred who would make a false application. I can see no reason at all why a scheme could not and should not be set up to provide advance payments for grain stored on the farm. The farmer needs money today. Quite a lot of the business in western Canada is now being done not with money but with wheat as the medium of exchange. I am told that there is one large implement and automobile dealer in the city of Estevan, which is in the southeast part of Saskatchewan, who has already acquired in sales he has made more than 100,000 bushels of wheat. That is an inconvenient and often an expensive way for the farmer to purchase an automobile or a tractor. If the farmers had obtained advance payments at a nominal rate of interest I believe it would not only assist the farmer but would also assist our merchants in collecting their outstanding accounts.

Mr. Howe: To whom does the implement dealer sell the wheat?

Mr. Argue: I do not know that, Mr. Minister, but I have this information on what I consider to be good authority. I could give the implement dealer's name, but I would rather do so off the record. However, if I am pressed I would name the dealer, as it was given to me. I believe my information is correct, and if the minister wants it I shall pass it on to him.

Mr. Howe: The wheat board is debarred from accepting grain from other than bona fide producers, and I should like to know his name. Perhaps the hon. member would tell me later what the implement company does with this grain.

Mr. Bryce: An implement dealer might be a farmer, too.

Mr. Howe: "Might" be.

Mr. Argue: A lot of them are. I do not want to use my time speculating as to what the implement dealer might do with the grain. He might wait until the quota is open. He might sell it on the quota books of the farmers from whom he accepted grain. But in the meantime, on the best and most reliable information I can get, 100,000 bushels is in store in the city of Estevan, which has been taken to provide payments for farm machinery and automobiles.

Mr. Ferrie: Would the hon. member give us the name of that man?

Mr. Argue: His name was not given to me in confidence; the practice is general knowledge in that area. I would prefer not to bring any names into the discussion, but will give the name to the hon. member at six o'clock in private, if he wants to have it.

I turn now to discuss another aspect of the government's agricultural policy. The Agricultural Prices Support Act was passed in 1944. In asking parliament to provide $200 million for the purposes of that act the Minister of Agriculture (Mr. Gardiner) pointed out that the farmers had had their prices held down by price ceilings during the war, and he felt there should be adequate floors placed under agricultural prices in the post-war period.

The government has had difficulty in finding markets for many agricultural products. Canada has lost the British market, largely because of this government's policies. Let us consider the government's action in regard to hogs this year. In the early part of the year the support price on hogs was $32.50 per hundredweight for Wiltshire sides at Halifax. In February the government dropped the floor to $26 per hundredweight, with the basis changed to Toronto.

As soon as the farmers of Canada needed a floor price under hogs, as soon as they were offering hogs to the government under that floor price, the minister said, "Well, I must change the floor price", and he reduced it. Hogs are now coming on the Canadian market in considerable numbers, but the export market is almost non-existent. Yet the best the Minister of Agriculture can do is announce another drop in the floor price of hogs to take place on January 1, when the support price will drop from $26 to $23.

The Minister of Agriculture has been very successful in getting rid of the bulk of our hog-producing industry in Canada. No producer can raise hogs and have any return for his labour and his investment with a floor price of only $23 per hundredweight.

The government has placed a floor of 38 cents a dozen under grade A eggs, plus 5 cents for storage charges payable to the packers. When I was home this summer I noted that throughout the small towns in my province one could buy eggs at 15, 16 or 17 cents a dozen—good, sound fresh eggs. That is not a support price at all. The fact is that while legislation was on the statute book something happened so that the producer did not receive the support price.

A neighbour of mine shipped twenty hens to market this fall and she received for them a cheque for only $6.20, or 31 cents each. Similar hens in downtown Ottawa stores today are selling for $2 each. Something has happened in between. I do not know who has made the profit, but it certainly has not been the producer.

Cattle prices have been going down, down. Sure; the Minister of Agriculture placed a floor under cattle. After he did that he made a speech at Melville in October in which he said that agricultural prices are being stabilized at the highest level in Canadian history. A couple of days later he went to Estevan, and speaking to the livestock producers there he said, as reported in the *Leader-Post* of October 24, that he was well aware the producers were not getting the floor price the federal government had anticipated.

That is real double talk. One day he says that prices are being stabilized at the highest level in Canadian history, and two days later he admits the farmers are not getting these support prices. Since the Agricultural Prices Support Act was passed in 1944, according to the latest annual report it has cost the federal treasury something less than $10 million. Yet in the same period the same government paid out $40 million in subsidies to the gold mining industry. Surely, the government should not think four times as much of the gold mining industry as it does of the 750,000 farm families who compose the agricultural industry in Canada.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Argue: Mr. Speaker, I had intended to go over what I feel is discrimination in the collection of income taxes from farmers in various parts of Canada. I was going to refer, as I have on previous occasions, to the fact that while approximately $6,725,000 was collected in 1949 from farmers in Saskatchewan, for example, in the same year only $51,000 was collected from all the farmers in Quebec. I had hoped to answer some of the statements made towards the end of the last session by the Minister of National Revenue (Mr. McCann). I can remember him saying that it was difficult to collect farm income taxes in Quebec, but even so in that province the government had only 22 income tax inspectors, whereas in Saskatchewan, where according to the minister it was a simple matter to collect income tax from the farmers, he had 60 income tax inspectors. However, with my time rapidly running out I shall have to leave the discussion of this issue to another occasion.

I think it is well known now by most Canadians that we are going to get at this session a sunshine budget which will reduce income taxes, coming as it does just before the next election. The main reason, yes the only reason, the income tax will be reduced is that the government is going to the country. The Liberal government has a policy of high taxation in its first three years in office, then reducing income taxes just before an election. After the election, whenever they are successful, the taxes go back to their original level and the government starts accumulating for another three years another large surplus so they can introduce another reduction just before the next election.

Before sitting down I want to mention some matters in regard to Canada's position in international affairs. As a member of the United Nations, Canada has taken a strong stand, along with the other democratic nations, in the battle against communism. We have taken a particularly strong stand in the Korean situation. To my mind it is equally important that Canada should take a strong stand in regard to fascism or the concepts of fascism wherever they may rear their ugly head. To be quite frank I was disappointed with the stand taken by the Minister of National Health and Welfare (Mr. Martin), Canada's representative at the United Nations, in the vote that was taken on November 21 on setting up of a commission to inquire into race segregation policies in South Africa. I feel that when we have within the last ten years had to engage in a terrible war because of those fascist concepts of racial superiority, followed as they were by racial discrimination, it was a serious mistake for our delegate at the United Nations to abstain from voting, instead of taking his place with the other nations who

were asking for the establishment of a three-man commission to inquire into the race segregation policies of the Malan government in South Africa. I feel it is important that through the United Nations we should do everything possible to remove such racial discrimination policies wherever they may be found.

I have noticed, as I am sure other members have, that the President-elect Eisenhower is going to Korea to attempt to settle the war in that country. Along with other Canadians I am wishing him every success. We hope that the Korean war may be ended in the very near future. I for one hope that General Eisenhower will not embark on the same kind of military adventure as General MacArthur did in taking the United Nations troops almost to the Manchurian border. I hope our government has already advised General Eisenhower that we do not wish to follow the United States or anyone else into that kind of adventure. Anything that is done to settle the war in Korea should be a truly United Nations undertaking, and should not be anything that is done by the United States or any other single nation.

The matter of our defence program, to my way of thinking, is not a political issue. When Canada decided to spend $5 billion over a three-year period to build up our defence program, that action was supported by every political party in parliament. But I feel that if that is all that Canada does in regard to defence against communism, we shall have failed humanity. Obviously I am thinking of our large agricultural surplus of grain and livestock products. It seems to me that one of the best ways to battle communism and win friends for democracy throughout the world is to help these underprivileged countries by supplying needed food. FAO reports have pointed out that two-thirds of the people of the world go to bed hungry every night. That being the case, surely the very least Canada could do would be to spend a sum equal to 10 per cent or even 20 per cent of the amount we spend on our defence program to move surplus food from Canada to help feed the hungry peoples of the world.

I think we could do that on the basis of self-interest. I think we should do it on the basis of our Christian beliefs. If Canada would do its part, as we surely can in this year 1952, in helping to provide food for the needy peoples of the world, I think we would be playing our part in bringing about that day when there will be peace and good will among men.

Mr. John Decore (Vegreville): Mr. Speaker, may I first of all join with other members of the house in complimenting the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne. Although I am more or less a new member myself, I can say that the manner in which these two gentlemen acquitted themselves was certainly in the best traditions of the house. We can look forward to very valuable contributions that will be made by these two gentlemen in due course. I was particularly impressed with the reference made by the hon. member for Waterloo North to the composition of the people in his constituency. Apparently there are people there who came from various parts of Europe at one time but, as he put it, "whatever they may have been at one time they are now Canadians all." I am glad that this conception of Canadian citizenship, of Canadianism, has become deeply rooted in the minds of the Canadian people.

May I now refer, Mr. Speaker, to that sports classic which will take place the day after tomorrow at Toronto varsity stadium between two great football teams, the Toronto Argonauts and the Edmonton Eskimos. May the better team win.

Mr. Fleming: It will. Thank you very much.

Mr. Decore: May I tell the hon. member who has interjected that the best team does not always win. I understand from the sports writers that the best team did not win not so long ago, when we thought the best team was the Hamilton Tigers.

Mr. Croll: We heard the same rumour about the Bombers too.

Mr. Decore: In any event I hope the hon. member will have the opportunity to see that game.

Mr. Murphy: They are all professionals anyway, not like Sarnia.

An hon. Member: What about tickets?

Mr. Decore: Somebody is talking about tickets. I can only refer the hon. member to our minister from Alberta, the Minister of Mines and Technical Surveys (Mr. Prudham).

Mr. Graydon: That is where they all are.

Mr. Decore: I have my own opinion as to the two teams and I strongly believe our team from the west is the best one. My reason for drawing the attention of the house to this particular event is because I feel this is one occasion when the west has an opportunity to meet the east and the east to meet the west. I do not know of any other single event that brings about more good will between the east and the west. As a member who comes from western Canada, it

seems to me that probably the people of eastern Canada—and in referring to eastern Canada may I say that we in the west include the provinces of Ontario and Quebec as part of eastern Canada—do not quite understand us. They do not appreciate some of the many problems we have in the west. They may know something about our agriculture, about our scenic beauty as found at lake Louise and Jasper and on the other side of the mountains, about our oil and natural gas in Alberta, but I do not think they quite appreciate some of our problems—and we have many of them.

In my opinion one of the biggest problems we have in the west is that we lack a larger and more self-sustaining population. It is only some sixty years ago that Edward Blake lamented "an empty west, empty still." Only fifty years ago Sir Clifford Sifton, that outstanding minister of immigration in the Laurier government, made this statement with reference to the western plains when he was speaking at Winnipeg:

> We look in the near future to see upon these western plains a great population; not depressed by poverty, but a population characterized in its social conditions by a high degree of comfort and prosperity.

Half a century has passed and the west is still empty. The west still lacks a large and self-sustaining population. If you look at the 1951 census you will find that after fifty years of growth the west has entered into a period of decline. What has happened in the three prairie provinces during the last ten years? If you compare the 1941 census with that of 1951 you will find in the province of Alberta, from which I come, that although there is an apparent gain in the population of some 140,000 it does not portray a true picture of what has actually happened in that province. It does not take into account a very important factor in considering population, the factor of natural increase. By "natural increase" I mean the number of births in excess of the number of deaths. Very accurate figures are available in that regard, and we find that in the last ten years we had a net loss in the population of the province of Alberta of some nine and a half thousand people.

That may not be a very large figure, but if you take the provinces of Manitoba and Saskatchewan the figures are much more disastrous. In the province of Manitoba there has been a net loss of population of over 65,000 and in the province of Saskatchewan there has been a net loss of over 200,000.

Mr. MacDougall: They all go to British Columbia.

Mr. Decore: If you take the three prairie provinces you will note that there was a net loss in population of over a quarter of a million people, and that is something I consider to be very serious. In other words, I am trying to point out that we in the western provinces have not only failed to attract people to these provinces, but we have failed to keep the population that we already had.

Actually we have many resources in the west, but I believe the greatest resource of any province or any country is its population. The reason for the situation in the west is that westerners have migrated to industrial centres such as Toronto or Hamilton. Some have gone to British Columbia or across the border to the United States. All have done so because they were looking for better opportunities. Where there is a greater population there is an opportunity to give greater service and people therefore have better opportunities in industrial centres. That is the reason we have lost our population in the last ten years.

It is true that the period from 1941 to 1951 was a period of buoyant economy and expanding production throughout the nation, but during that period the prairie provinces became heir to the economically devastating depression which took place in the hungry thirties when wheat sold for 18 cents a bushel and cattle at $10 a head, when people were driving the so-called Bennett buggies. That was the situation, and we fell heir to the results of that devastating depression. There is no guarantee that something of that kind will not happen again. If it did it certainly would be most serious for us in the west. The people of Ontario did not feel the economic depression of the hungry thirties as much as we did in the west. In Ontario there are industries. Where you have industries you have a bigger population and farm produce, for example, was probably being sold there at somewhat better prices. In the west we have many resources but our economy is essentially agricultural in nature. As producers of agricultural products, we in the west have been handicapped by distances from markets and by export trade. We have to pay heavy and important levies on everything we ship out and everything we bring in. That explains why there has been such bitter resentment and struggling concerning freight rates in the west. We are fortunate that the Massey commission made certain recommendations and as a result we have certain legislation providing for equalization of freight rates in western Canada.

We have been struggling at all times against the high tariff policies that have existed, and we will continue to do so. The hon. member for Charlotte (Mr. Stuart) made a very important contribution the other day when he spoke on this matter, and especially when he pointed out, among other things, that to buy four new 6.40 x 15 tires in the United States costs $67.16 but in Toronto the price is $129.60. The tires apparently are the same tires made by the same company. There are numerous examples and one could go on almost indefinitely pointing out the differences that exist. We are, of course, fighting against high tariffs.

I agreed also with the hon. member for Charlotte when he said there had been too much criticism from people in eastern Canada regarding the so-called subsidization of farm products. I know that a lot of members of this house, especially those who come from the central provinces, may have difficulty explaining to their constituents the $65 million paid by this government under the five-year pool, but I feel there is no better example of subsidy than what has happened in some of these industries. Actually subsidization of industry is reflected in the difference between prices in the United States and the duty paid value in Canada. I point these things out because we are misunderstood; our problems at times are not quite appreciated the way they should be.

I arrived here in 1949, Mr. Speaker, and after listening to some of the members of the opposition I was impressed by statements they made; but, frankly, if one were to believe everything that was said he would have come to the inevitable conclusion that Canada was going to the dogs. You have heard about the high cost of living. Of course we have had a high cost of living, and the cost of living is still high; but let us not forget that the cost of living has dropped from 191·1 to 185·0 and is continuing to drop. You have heard from time to time, and still hear, that the farmer is going to be ruined. We heard complaints about the abolition of resale price maintenance, when it was said that would ruin the small businessman. I have met a lot of small businessmen and so far no one has complained that this legislation has ruined him. We have heard criticism pertaining to foot-and-mouth disease but actually this government should be given credit for having eradicated foot-and-mouth disease in the shortest period on record for any nation in the world.

We hear much about markets. We have all heard since 1947 that Canada is going to be ruined and that we have lost the markets of the world. The fact remains that trade has expanded to new heights both in value and in volume. Canada has now become the greatest trading nation in the world on a per capita basis and fourth in terms of volume. The year 1952 promises to be the greatest year on record.

You have heard from certain people that we have hitched ourselves to the wrong markets. You heard that from the hon. member for Peace River (Mr. Low) who spoke the other day; here is what he said as reported on page 56 of *Hansard:*

> I think, Mr. Speaker, that the Liberals are just now beginning to wake up to the fact that they have hitched themselves to the most uncertain market in the world, the most uncertain market for Canada—that is the market in the United States; and for all too long they have neglected to do what ought to have been done to restore Canada to the best market she ever had and the market which she ought to continue to hold if she can in the years to come.

He goes on to say:

> I think the government should hang its head in shame over the fact that Britain has had to go behind the iron curtain, to Russia, to the enemy of the free world for a number of things she has had to get such as coarse grain, lumber, and things like that which Canada could very well have supplied.

Let me remind the hon. member for Peace River that since 1946 this government has lent to the United Kingdom the sum of $1¼ billion for the purpose of stimulating trade between Canada and the commonwealth nations. Let me remind him that we are now participating in the Colombo plan, the primary purpose of which is to help those Asiatic countries, and at the same time we are endeavouring to encourage trade there. Let me remind the hon. member that the Prime Minister (Mr. St. Laurent) and the Minister of Finance (Mr. Abbott) are in London right now endeavouring to work out some trade agreement or better trade understanding between Britain and Canada. We also know that the Right Hon. Minister of Trade and Commerce (Mr. Howe) is going on a trip to several South American countries for the purpose of stimulating trade between Canada and those countries.

What about farm prices? As I say, we have our problems in the west and I have pointed out some of them; but when we compare farm incomes we find that last year's figure was twice as great as that in 1944, and in 1944 production was 50 per cent higher although the returns were only half as great. What about cattle? It is true that we have had this foot-and-mouth disease, yet returns from cattle today are the highest in the history of Canada except for last year, 1951. As I say, we Canadians have had a lot of obstacles and a lot of difficulties. But whether it be inflation, the high cost of living,

foot-and-mouth disease or national emergency, I feel that we can overcome those difficulties, especially with this government.

There are two matters, Mr. Speaker, pertaining to my home constituency to which I should like to refer. I would like to have the Minister of Transport (Mr. Chevrier) and the Minister of Agriculture (Mr. Gardiner) take them into consideration. The first matter concerns the uncompleted Canadian National Railways line which runs east from Edmonton to Heinsburg. There is a gap from Heinsburg to Frenchman Butte of some 39 miles; that distance is not completed. I drew this matter to the attention of the minister in 1949 when I first came here. I should like just to quote what I said at that time and the reply the minister gave. As reported at page 1233 of *Hansard* for October 28, 1949, this is what I said:

> I want to draw the minister's attention to the Canadian National Railway line which runs east from Edmonton to a point called Heinsburg. It so happens that this railway line runs through a thickly-populated farming area, but there is a gap of some 39 miles from Heinsburg to a point called Frenchman Butte in Saskatchewan. The result is that the farmers' cost of production is considerably higher than it would otherwise be. I understand that the reason this line was not completed was the coming of depression years and the war.
>
> Conditions have now changed. Quite significant developments have taken place along that line which I think are of importance to our Canadian economy. It so happens that along this line the famous Redwater oil field has been discovered. This is the largest field not only in Alberta but in Canada. Farther along the line there is a salt mine which has been developed only within the last year. The result is that there is quite a considerable strain on rail transportation. As the people in my constituency are affected, is the minister in a position to give us any information on whether the Canadian National Railway Company has any intention of completing this gap some time in the near future?

The minister made this reply:

> I thank the hon. member for Vegreville for his interest in the unfilled gap between Heinsburg, Alberta and Frenchman Butte, Saskatchewan. The Canadian National Railways have been giving some careful study to this line, not only in 1949 but in 1948 and 1947; and, I must tell my hon. friend, they have it fairly high up in their priority list.

Then he continues further and says:

> But I can tell my hon. friend that the discovery of the oil wells and the salt mines are two features which should add considerably to the chances of construction. They certainly should add to the economic advantages. The best I can say at this time is that the Canadian National Railways have the matter under careful review and that they have it fairly high up in their priority list.

I realize that this statement was made in 1949 and that since that time we have been burdened with an extremely heavy national defence program. I also realize that there is a shortage of steel. But I believe things will come back to normal, and I only hope that in the meantime the minister will continue to hold this matter in the same light as he held it at the time when he made that statement, so that when the proper time arrives the project will be proceeded with.

Another point I should like to draw attention to is in connection with an experimental farm in northeastern Alberta. This is a matter which concerns the Minister of Agriculture (Mr. Gardiner). I have mentioned this matter before. I brought it to the attention of the house last session, and I felt that the minister was somewhat sympathetic. I pointed out some of the reasons why we feel there should be an experimental farm in northeastern Alberta. To begin with, the closest experimental farm is at Lacombe, which is some considerable distance away. I feel that you can get the best farming methods by taking advantage of the educational facilities afforded by these experimental farms. It may be that these experimental farms have been too greatly centralized, and have been too large. It may be that they should be on a smaller scale and be more numerous, in order to make them more easily accessible to the farmers so they can come in and see what is happening, not only as to experiments but in order to take advantage of the educational values that such farms afford.

As a matter of fact, exactly three weeks ago today the Minister of Agriculture visited the Vegreville constituency and the town of Vegreville. Incidentally I may say that he made many friends there, including a large number who previously voted Social Credit. The minister had occasion to hold meetings with some 40 municipal councillors representing 40 municipal divisions and representing a vast area in northeastern Alberta. He saw the enthusiasm that was displayed at that meeting. I only hope the minister will give this matter further consideration. I sincerely hope that this project may be proceeded with.

Mr. W. G. Dinsdale (Brandon): Mr. Speaker, rather than include in my congratulations only the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne, I want to include most of those who have thus far taken part in this traditional debate, because my personal feeling is that unusual enthusiasm has been brought to bear during the discussion up to the present moment. It might be, of course, that because of the fact that, as is generally agreed, we are in the last session before the election, more effort and more vigour is being employed with regard to the discussions at hand. The vehemence on the part of the supporters of

the government seems to lie in the typical direction of whitewashing the government program; and from the standpoint of those of us who are in the opposition, we are more vigorous in our criticisms of government policy. I suppose that is as it should be, or at least that it is inevitable under our party system.

It is, however, almost too much to expect members of the opposition to agree that the government record is without spot and without blemish entirely, as some of those who have spoken in support of the government would tend to suggest. In fact there are so many skeletons out of the cupboard at the present time that it is going to be extremely difficult indeed to bury them. This fact has become increasingly obvious as we have had recent expressions of public opinion from across Canada.

I was impressed by a statement made by the Prime Minister (Mr. St. Laurent) during his remarks the other day. Since coming into the chamber I have found that the Prime Minister endeavours to be fair in most of his remarks, except perhaps sometimes when he finds himself in bad company; and that is inevitable under the circumstances. The observation he made with regard to the role of the official opposition in the chamber impressed me. As recorded at page 34 of *Hansard,* he said:

> . . . I extend congratulations to the Leader of the Opposition for the very frank, and perhaps some of us may sometimes think severe, criticism of the actions of the government. It is a part of our democratic institutions that there should be someone recognized in our official organizations whose duty it is to watch and criticize what is being done by the advisers of the crown, and I think it is helpful that that should be so.

That is a fair and unbiased appraisal of the role of the opposition. Regardless of the discussion which took place the other day as to ghost writers, I am sure he was speaking from personal experience so far as that matter is concerned. While on the subject of ghost writers—and I notice that it was raised again this afternoon by the Minister of National Defence (Mr. Claxton)—may I say that I think the final word arises from an incident that occurred some time ago in the United States when a politician who had grown accustomed to the habit of relying on the efforts of ghost writers on one occasion found himself placed in an extremely embarrassing position. He had neglected to read the speech before he began to give it. He progressed through pages 1, 2 and 3. Everything was going well until he got to page 4, which he found blank with the exception of one line at the top. That line said: "You are on your own, you old windbag; I quit." That is the last comment that should be made in regard to ghost-writing in this chamber.

In contrast to the Prime Minister's reference to the role of the opposition, I find sometimes that more eager and rash members of the government group have a different opinion. It has been expressed, mostly outside this chamber, to the effect that "an opposition member can be of little or no service to the people and can only be, like the leader of the official opposition, an obstructionist and a destructive critic". I am glad to see that the Prime Minister does not agree with that viewpoint. Actually, from what I have already observed in the chamber, I am glad that we do have an opposition group to keep a close check on government activities. I am sure the claim that has been made three times already during this debate by various members is true, namely that whatever can be said concerning the government, it cannot be accused of reckless dishonesty, graft and other similar activities such as sometimes occur south of the border. To back up that observation the Ottawa *Journal* has been referred to.

Apparently that paper is a journal of considerable reputation, if one is to judge from the emphasis and the confidence placed in it by government speakers. It is significant that that journal on various occasions has declared that the present opposition leadership in this house is the best that Canada has seen since confederation. I am sure if we rely upon the opinion of that paper in one instance, we must accept it as an unbiased opinion in the other.

The members of the government should be very grateful to the opposition in this regard. The reason things are more closely under control in our House of Commons, under our parliamentary system, is that the ministers are directly responsible to the elected representatives, and not as in the United States more or less operating outside of the framework of the elected bodies. In that country the ministers have to report to the electorate only at four-year intervals.

Furthermore, the impact of the opposition criticism can be seen in some of the legislation that is brought in. For example, in the speech from the throne reference was made to fair employment practices; to changes in attitude regarding television; to the abolition of the radio licence, and a rather more solicitous approach to the handling of commonwealth relations problems, all of which have been advocated by members

of the official opposition for some considerable time. We can come to the conclusion, however, that there are still some things that have been left undone, judging from the remarks on this side in reference to taxation, inflation, extravagance, failure to ease means test restrictions on war veterans' allowances and also on pensions for the blind. These are subjects which have come up on several occasions already in this house in this debate on the speech from the throne. I am not going to deal with these matters because they are of general concern to all Canadians, and they have already been dealt with at some considerable length by other speakers. I shall rather, as did the speaker who preceded me in this debate, concentrate on problems that might be regarded as peculiar to the west.

I find myself in sympathy with a good many of the viewpoints expressed by the previous speaker. Because the voice of the west in this House of Commons is rather a weak one from the standpoint of numerical representation, I think that we might well concentrate on our particular difficulties. Not only is it a weak voice; it is growing weaker as a result of what has been referred to by the Minister of Justice (Mr. Garson) as the fairest redistribution ever undertaken in the Dominion of Canada. I must say, Mr. Speaker, that I am afraid that depends on your own viewpoint. I am sure that my colleague the hon. member for Souris (Mr. Ross) and myself do not agree that it is the fairest redistribution that has been carried out in the history of Canada. As I say, it depends on your own viewpoint.

I do feel, along with the hon. member for Vegreville (Mr. Decore), that there is some misunderstanding concerning our problems in the west, and this misunderstanding goes further than the realm of football. The west, along with Canada generally, has been feeling the effects of the industrial revolution, only our boom might be described as a quiet one, rather than one of the gigantic proportions that we see here in central Canada. The main reason for the relative slowness of development of the prairies of course arises from the effects of centralization. Centralization of population has been mentioned tonight, industrial development, and also more recently, since we became faced with the threat of aggression, the distribution of defence contracts. It is fairly generally understood that the bulk of the contracts are finding their way to the industries of the central provinces rather than to the industrial potential on the prairies. I surveyed the situation in my own constituency before I left, and found that there was very little change so far as defence contracts are concerned.

Then too, of course, we were a long time recovering from the effects of the depression. In the province of Manitoba we have had a government which has established quite a record for longevity. In fact it has broken the record established by this government by a considerable number of years. We have had a government in office continuously since 1922, and it has not been overly enthusiastic in promoting provincial welfare. In fact we might even go so far as to say it has been extremely cautious, but there is a gradual awakening in this regard, and this awakening comes from the civil service more than it does from direct government policy. The assistant deputy minister of the Manitoba department of industry and commerce, in speaking to a chamber of commerce gathering in Swan River, said that Manitobans must become as industrially minded as they are agriculturally minded if they wish to continue to progress. Or, to express it another way, agriculture must accept its new partners, oil and general industrial development. Actually that partnership is well under way in the province of Manitoba.

That is a statement that should be self-evident, particularly during these post-war years, but it does not seem to be so in certain responsible circles. For example, our Manitoba minister speaking recently in Preeceville, Saskatchewan, criticized the trend toward industrialization on the prairies, claiming it to be a revival of what he termed Tory protectionism, whatever that may be. I think the charge actually arose from a speech made recently by the Leader of the Opposition in regard to Canada's golden future, suggesting that we might better benefit ourselves by processing our own raw material rather than by allowing ourselves to be despoiled. That hits directly at our problem of industrialization on the prairies.

The reasoning behind the minister's statement was to the effect that such local processing of our natural resources would disturb world trade, cutting off the world markets for our agricultural products. As I look at that statement objectively I think it is merely an attempt to revive the old technique of dividing and conquering through the process of arousing regional prejudices. That worked perhaps at one time during the twenties, when the central provinces of Ontario and Quebec were industrializing very rapidly, when certain protective measures were exercised in their favour, and the old cry of protectionism on the prairies had its effect. But so far as I can see from a study of the economics of the prairies, this is as dead as the

dodo bird at the present time because, above all else, the west must industrialize if a balanced economy right across Canada is to be developed. If we are going to increase our population so as to fill these vast and wide open spaces, we must have a diversified economy. In so doing we will not be so dependent upon external markets because we will have developed domestic markets, and we will achieve a level of social and cultural development worthy of a country occupying the strategic importance of Canada in the modern world.

I would say that lack of awareness of new trends on the prairies, particularly in respect to this matter of industrialization, is indicative of a lack of leadership in high government circles. I suppose this is inevitable after long years in office. I was quite amazed—perhaps I should not say "amazed", because it is something more or less universally understood—but I was quite impressed, shall I say, when reading that interesting book "The Incredible Canadian" to find that in 1921 the late Mr. Mackenzie King made the same complaint, that the government had been too long in office, had got out of touch with the people, had become arrogant, and that nothing could be done until public opinion spoke, until the people rose up and protested through their votes.

That is exactly what is happening right across this country at the present time. Incidentally that is why, under our British parliamentary institutions, we have the two-party system, so that as one group grows decrepit with age another has grown vigorous in opposition so that it can take its place and carry on the business of responsible government.

In Manitoba we find evidence of the revival of a vigorous community spirit. The movement is coming from the people in Manitoba and the government is being forced into action in spite of itself. For example, in the city of Brandon we have appointed an industrial commissioner. I believe we are the smallest city to become active in this regard. It has all been done on the local community level, with very little inspiration from higher levels of government.

We have traditions of community activity in this country which are interesting. A few weeks ago it was my experience to go down into that small but unique community of Steinbach and, although it is not in my constituency, I was impressed by what I saw there. Steinbach is the centre of a Mennonite community and has been referred to as Manitoba's moneyed mile, because of the wealth and prosperity located there. Right from the beginning the citizens of Steinbach have practised the diversified economy that the rest of Manitoba is only now beginning to appreciate. They did it in face of the fact that they had no railway communications, and still have none, for that matter. Actually what I found in Steinbach was a way of life, because as you approach the city you see two signs, one of which says "Sign of progress" and, close by, the other saying "Believe on the Lord". I think it is the existence of that sort of spirit among the people—they are God-fearing, thrifty and hard-working—that has made that little community one of the most prosperous, on a proportionate basis, in the whole of Manitoba.

I might add, however, that the same spirit is being felt in other areas of our province. Along with this development, which must inevitably come if we are going to occupy our rightful place in the Canadian economy, we have the general story of oil. My deskmate and colleague, the hon. member for Calgary West (Mr. Nickle) has told the story of oil in a much more capable way than I could and, because of his background and knowledge, is better able to do so. However, those of us in western Manitoba, particularly in my constituency, have encouraging progress to report. In the Daly oil field west of Virden there are now 14 oil wells capable of producing a thousand barrels a day, so I am informed. It is oil of high quality which will produce gasoline and lubricating oil, as well as crude oil. I understand that oil is being delivered directly to the pipe line operating through the area. So we in Manitoba have the resources, we have the power and we now have the fuel. All we need is a bit of encouragement and inspiration from our senior governments. And perhaps, too, we need a boost in human resources, because no matter what we have in natural resources, nothing can be done until we have a population sufficiently large to carry out the developments to be made there in the near future.

This brings me to the problem of immigration, a subject that has been discussed frequently in recent days across Canada. We have various estimates of the potential Canadian population by the end of the century running all the way from 100 million down to 25 million. Judging from those figures we are due for a very rapid increase in population immediately. One of the chief sources, if not indeed the chief, will be through the process of immigration. In Manitoba we have had it drawn to our attention by the hon. member for Churchill (Mr. Weaver) that he visualizes within the next decade a population of some 100,000 citizens north of 53, where now there are only some 10,000. Certainly there is every encouragement for an increase in population as we view the situation in Manitoba.

Looking at it from the other side of the picture, it would seem that the countries of Europe and the United Kingdom are quite anxious to send their surplus population to our shores. It is estimated, for example, that the United Kingdom alone has a surplus population of approximately 20 million who could be settled in Canada as well as other parts of the commonwealth. I know the Minister of Agriculture (Mr. Gardiner) has spoken on this theme on several occasions and is very interested in the problem because he comes from the wide open spaces of the prairies.

Along with the vacillation and the changing moods in regard to prairie industrialization, we also see government vacillation in regard to immigration policy. This was referred to in an article in *Saturday Night* a few weeks ago, October 4, written by Mr. Michael Barkway, who referred to statements made by the Minister of Citizenship and Immigration (Mr. Harris). It reads in part as follows:

> The contradiction between profession and performance has grown wider with each succeeding government statement. Prime Minister St. Laurent has been stumping the country proclaiming that Canada will have a population of 35 million by the end of the century. Walter Harris, the minister directly responsible, is presumably more accurately aware of what the government is actually doing. His prophecy (at London) was a lot more cautious. He forecast 25 million "in the foreseeable future" . . . Deference for his boss, or a misguided attempt to paper over the party's cracks, led to a modified prophecy in a later speech at Montreal. It then became "25 to 35 million people before the end of the century."
>
> The curious contradiction reached a laughable culmination in the official release on immigration in July. July—as Harris had prophesied—showed the first results of the restrictions he introduced earlier in the year. The number of new arrivals was 15 per cent less than July of last year. Their origins were even more drastically changed. The proportion of immigrants from Britain continued the marked increase which started last winter. Last year they were 15 per cent of the total. In the first five months of 1952 they were 23 per cent. In July they were more than 28 per cent.

Now, there seems to be some vacillation in policy, even though it was stated in the minister's speech last July, as I recall, that immigration policy cannot be a stop and go affair. If there is any opposition to immigration it does not come from the prairies, which are urgently in need of population if they are to develop their program of industrialization.

It is interesting to compare this policy with the record of previous immigration ministers in this house, such as Hon. Clifford Sifton. Between 1895 and 1914 Canada doubled her population with the admission of 5 million immigrants. Among the group was my own father, who came over in 1906. I know there are very difficult problems in connection with immigration, just as there are in regard to other situations. Surely, the government which professes to be responsible for the prosperity in Canada at the present time, and all the other wonderful benefits, could find a solution to this difficulty. I know there are problems of assimilation, problems of housing, social welfare, general employment and economic dislocation as the result of an influx of population. We need people, however. Other countries have surplus population and we have the room. The only obvious solution is a continued policy of immigration.

Again volunteer community effort is expressing itself in this regard. Here perhaps our biggest job is assimilation. We have the Canadian citizenship council in the field, as well as the various groups from the Canadian Legion, the Y.M.C.A. and various church groups who are trying to deal, on a local level, with this problem of assimilating our new Canadian citizens. I am sure that had our community life, the feeling of neighbourliness, not tended to disintegrate as a result of the neglect of municipalities and so forth, there would have been an even keener participation on the local level in this very important problem of immigration.

It of course remains to be said that, notwithstanding the industrialization and the problem of population arising therefrom, agriculture is still the basic industry of the prairies. Our agricultural industry is perhaps not as unstable as it was formerly, but it still suffers from relative instability from time to time. We hear protests from the producers. Before I make some general observations in this regard I should like to associate myself with the remarks of the hon. member for Red Deer (Mr. Shaw) concerning the P.F.A.A. I have run into some difficulties in connection with farmers who have suffered crop loss from hail damage. There is no possibility of assistance because of the present large areas required under the act. Hail damage is a special problem.

At the present time farm costs are going up and income is going down. I think it is fair to conclude that only a succession of bumper crops has kept the agricultural economy of the prairies afloat. As is well known to the members of the house, the present crop is the largest we have ever gathered on the prairies. The hon. member for Bonaventure (Mr. Arsenault) made a reference the other night to the drop in the price index and gave credit, as is usually the case in observations from that side of the house, to the government. Actually the decline in the price index is at the expense of our prairie producers. Returns from produce are going down and costs are going up.

The farmer is even suffering from the high value of the Canadian dollar, because being a producer he is being sacrificed for the American investor.

The lyrical tributes we find in various United States periodicals of recent date are indicative that our friends across the border take a favourable view of the present exchange rate between the Canadian dollar and the United States dollar. It is estimated that out of our bumper crop the farmer will actually receive a half million dollars less than he would have received had the dollar been at par. I am not going to deal with that problem, other than to say that it seems that all down the line the people in the continental west, the prairie people, seem to get into difficulty as compared with the more favourably situated people in central Canada. I say that, regardless of the transition taking place, we still must take an interest in our agricultural economy, and it is not without some reason that the various agricultural organizations on the prairies, particularly the farmers' unions, are now advocating that general discussions be held on agricultural policies.

To sum up my remarks, the difficulties I have outlined with respect to inequitable development across the prairies, concentration in the central provinces, high taxation, extravagance and so forth are inevitable under the present parliamentary situation in Canada. We have lived through three very unhealthy years politically with an overwhelming government majority in the house. We find that by appeals to a broad cross-section of the people on the basis of what you might call phony liberalism, by appeals to state welfarism and expounding the idea that the state can solve all problems, we have developed a situation of political imbalance in Canada. There have been more cautious statements recently, and I was quite impressed with the remarks the Prime Minister (Mr. St. Laurent) made when he was out west and told the people that you do not get anything for nothing. Seemingly it was a belated return to a more basic liberal viewpoint. However, we still have cries that Canada is enjoying an unprecedented period of prosperity which is all due to government beneficence or, as it was put in the chamber yesterday quoting a popular song, "You never had it so good."

An hon. Member: That was what they said in the United States before their election.

Mr. Dinsdale: Prosperity is not the only thing in a country. Our prosperity is not unending and we must remember that what we have is almost unique to the North American continent. We actually have an island of prosperity in a sea of poverty, and our responsibilities are all the greater because of that situation. We must also remember that often nations that have entered into a decline have done so at the peak period of prosperity or, as the poet says:

> Ill fares the land, to hastening ills a prey,
> Where wealth accumulates, and men decay.

Therefore prosperity is actually no criterion of the actual state of well-being of a country. We admit there is prosperity. We do not deny the fact. But let me read a quotation from what was said recently by Senator Harry F. Byrd, speaking in the United States. He made what I regard as a very penetrating statement on the problem of centralization in the direction of the superstate, the all-powerful state. He said:

> Centralized power and purse breed a sinister political philosophy which scorns frugality, efficiency and integrity; which attaches no importance to waste, debt or immorality; which advocates indefinitely the political formula of tax, spend and elect; and which has no scruples against using public money to influence political decisions.

That is inevitable as long as human nature is what it is and regardless of the political complexion of the party that happens to find itself in office over a long period of time. I came across a quotation in the Rivers *Gazette*, one of our weekly papers in western Manitoba. It is a parody of the 23rd psalm and reads as follows:

> The government is my shepherd, I need not work. It allows me to lie down on good jobs; it leadeth me beside still factories.
>
> It destroyeth my initiative; it leads me into paths of the parasite for politics' sake.
>
> Yea, though I walk through the valley of laziness and deficit spending I will fear no evil; for the government is with me; its doles and its vote-getters, they comfort me.
>
> It prepareth an economic Utopia for me by appropriating the earnings of my grandchildren. It filleth my head with baloney; my efficiency runneth over.
>
> Surely the government shall care for me all the days of my life, and I will dwell in a fool's paradise forever.

I thought this was very appropriate in view of certain developments we have seen south of the border and in this country. Actually it is impossible for a group whose vision is obscured by power to see the difficulties and to accept criticisms of extravagance, unnecessary expenditures and so on. A group long in office is pushed by pressure from all its friends, from the spoil seekers, bandwagon climbers and general camp followers. In the final analysis it is only the sovereign voice of the people that can call a halt. It would seem that the day of deliverance is not too far away.

I should like to refer to another matter outside the main points of my remarks. On the orders of the day today I raised a question

with respect to accepting the offer of the volunteer organizations to carry on welfare activities among our armed forces. In replying the minister indicated that there was no change in policy in that regard. Obviously there is considerable interest throughout the country with respect to the problem, and well there might be because we have achieved a level of recruitment in our armed forces that closely parallels a wartime situation. Church groups have been disturbed about the fact that volunteer welfare organizations have been excluded from participation in the welfare activities among the troops which they carried on so effectively and efficiently during world war II. They established an outstanding reputation with respect to their services.

I was most disturbed to discover from the minister's remarks that there is a principle involved of no change in the present policy and that the former type of welfare service is not going to be operated among our Canadian forces. Because of the reputation established by these organizations during the war, I think the only groups that can adequately serve the troops both abroad and in the numerous depots and military establishments at home are those qualified by experience and actual training. The problem confronting welfare organizations among the armed forces is not necessarily a matter of cigarettes, movies and radio programs, the tangible outward things. It is the intangibles that have to be dealt with among military men who find themselves in a difficult social situation, removed from their families, removed from their churches and removed from general community responsibility.

I strongly suggest that if at all possible something should be done to accept the generous offer of these voluntary organizations. It does not necessarily mean having someone from each organization. They could perhaps pool their resources, but surely from their experience in world war II they have accumulated knowledge that can prove invaluable and thus help to deal with the problem of morale which is so important if we are going to produce strong fighting forces in each of the three armed services.

Mr. Paul E. Cote (Verdun-La Salle): Mr. Speaker, my remarks at this stage of the debate will be very brief. They have been prompted by a charge which a member of the opposition made in the debate yesterday against the administration of the national employment service for which the Minister of Labour (Mr. Gregg) is responsible to parliament. Before proceeding farther, however, Mr. Speaker, I find it a very pleasant duty to join with all speakers who have preceded me in warmly congratulating the mover (Mr. Deslieres) and seconder (Mr. Schneider) of the address in reply to the speech from the throne. They have set for themselves a high standard of discussion which will inspire them both in their further participation in debates in this chamber. I offer them my sincerest wishes for success.

In his speech yesterday the hon. member for Eglinton (Mr. Fleming) resorted, in my view, to tactics which I like to believe will appear outside this house as a hopeless attempt to catch the eye of the public and further the advancement of his party's interests; because it was done without too much concern for the principles of truth and righteousness.

The official opposition has been anxiously searching in the past few months in the administration of various departments for material which they could use to support their irresponsible charges of waste and extravagance by the government. The most they could achieve in their search was to get and put together bits and pieces of information which could give a semblance of truth to their charges against the government, but which in no instance stand the test of conscientious and objective analysis.

The part of the speech by the hon. member for Eglinton which had to do with the Department of Labour received generous hospitality in the columns of the *Globe and Mail* this morning, but no other paper I know of has carried any reference to it. I would assume that the latter were all convinced of the emptiness of that particular attack of my hon. friend; and if that is their judgment I fully concur.

Since the last war ended our national employment service has made great strides toward improving its machinery and technique for increasing the production of the country by maintaining our labour force at work where it can best serve, and by reducing to the bare minimum the unavoidable periods of unemployment which are characteristic of certain trades and industry in Canada. I could have much to say on that subject but I will leave it for another opportunity in this debate or later in the session.

For the moment I would like to call attention to the Montreal office, which was the office criticized by the hon. member for Eglinton yesterday. The Montreal branch of the national employment service, as is the case with any other branch, is assisted in its work by a local employment committee formed by representatives of industry, labour and the main organizations in the community, both social and business. It is an advisory committee. Their advice has contributed in

the past to the launching of a campaign of publicity and education to develop the trust and eventual co-operation of all parties in industry with the facilities offered by the national employment service. These endeavours have been carried out by means of film showings, newspaper releases, articles, radio talks and personal contacts with employers.

At the Montreal office level, meetings with the advisory committee and other contacts with employers have been followed up during the past five years by the publication of a monthly bulletin. This bulletin is not a publication designed for the public at large. It has a circulation limited to 1,200, 1,000 copies going to the most influential employers of the metropolitan area and about 200 to trade unions, social and business organizations. Often when the bulletin deals with one category of job applicants only, for instance sales and clerical, professional and executive or handicapped and older workers, the bulletin may be sent out to only from 300 to 500, only to those among employers who may have a definite interest in the eventual hiring of that class of applicant. The cost of this bulletin at its very top circulation may run between $20 and $25 a month exclusive of postage. It is in mimeographed form and usually contains from three to five pages. The editor of this monthly bulletin puts together all the resources of his knowledge and ingenuity to make the publication one which will appeal to the employer and be spared from the wastepaper basket for some time at least after it is received.

Usually the bulletin opens with a thought on the plight of the unemployed and the imperative duty for an employer in a country like ours to humanize his handling of employees. The next two or three pages carry a list of job applicants. Their names are omitted purposely and they are referred to by index numbers, by their age and special qualifications. This bulletin issued by the Montreal employment service office has done a great job in the past five years and can still render valuable service. The hon. member for Eglinton may disagree with its editor and the quality of his literature, on the propriety of its quotations or the thoughts which the editor aims to impress upon the minds of employers; but my hon. friend will appreciate from the figures I will give him in a moment that the bulletin in its present form has effectively served its purpose as a liaison agent between the employers and the employment service and as an active factor of effective co-operation between the two.

The total number of placements by the national employment service of Canada for the calendar year 1951 was 926,149. Of that total Montreal contributed 113,705 or 12 per cent. In the section of handicapped and older workers falling in that category, for the year 1951 the total placements for Canada have been 14,344, of which Montreal contributed 4,097 or 28·5 per cent. For this year, up to October 30, the proportion is still higher at 29·5 per cent, Montreal having contributed 3,696 placements of applicants in a total for all of Canada of 12,516 handicapped or older workers.

It was with those figures in mind that I interjected during my hon. friend's speech yesterday that Montreal had about the best record in the whole of Canada for the placement of handicapped and older workers. I should now like to get back to what the hon. member had to say of that bulletin which has been an important factor in the successful placement of unemployed in Montreal. Yesterday afternoon, brandishing the last issue of the bulletin in his hand, the hon. member exclaimed, as reported at page 115 of *Hansard:*

> . . . I hold the government responsible for the profligate waste of the taxpayers' money on rubbish such as this.

The poetry as to which my hon. friend has offered his comment is not new. I am sure it is known to many of the members of this house. In line with the course of action outlined to him by the local employment committee, the editor of the bulletin had chosen that poetry to combat a modern economic tendency by conveying to the mind of management that it is often inhuman to lay off the worker who has reached the age when it will be most difficult for him to find another job. It was intended to be a caution call, a stop and think twice advice to employers who may be about to dispense with the services of an ageing or disabled worker. To be effective, you have to talk to management as well as to labour in a language which will impress them and which they will understand. If the hon. member for Eglinton would now look at this bulletin again and read that poetry, as to which he tried to make so much yesterday, and do it in the light of the information and the circumstances which I have just recited, I am sure he will have altogether different language to use in his comments on it. Fair-minded as I know him to be, he would have only words of praise for the Montreal office and its advisory committee who sponsor this bulletin which costs so little to the public—a mere $20 a month—and which has been so important a factor in the gaining of such an enviable record for the Montreal office in the placement of older workers, handicapped workers and the unemployed generally.

Before resuming my seat, Mr. Speaker, I wish to avail myself of this opportunity to say just a word of comment on certain criticism which the hon. member for Broadview (Mr. Hees) made last Tuesday. The Minister of Labour (Mr. Gregg) has already replied to one of his attacks. I do not intend to come back to that particular part of his speech. Turning to *Hansard*, at page 84 I notice that the hon. member, at the opening of his remarks, tried to make an eloquent appeal which is recorded as follows:

> I want to deal with a great injustice which exists under the Unemployment Insurance Act and which I believe is long overdue for correction. I am referring to the refusal of the government to pay unemployment insurance which a man or woman has standing to his or her credit when that person becomes incapacitated and is unable to continue to work.

I wish to say to my hon. friend that this matter has been discussed quite often since the act came into operation on July 1, 1941, but the administration have always held to the same course, which is that as long as this act is one to deal with unemployment insurance, there is no possibility that its coverage may be extended beyond the scope which was determined in the act by parliament. This is an act of parliament which has been amended quite often in the past ten or eleven years. This fact will indicate the desire and the readiness of the Minister of Labour and of the administration to improve this act more and more in accordance with suggestions which come from organized labour, management and other responsible organizations in this country.

We are still willing—and I think I can speak for the Minister of Labour in saying this—to try to improve upon what we have achieved in the coverage of this act. We shall do it with the guidance of the unemployment insurance advisory committee which is composed of representatives of organized labour, of industry, and of Canada generally. As we go on I think the country, and labour more particularly, will realize that in this government, and more particularly in the Department of Labour, they have real friends who are anxious to provide social assistance to any extent that this parliament will allow.

Mr. Hector Dupuis (St. Mary): Mr. Speaker, I wish first to congratulate—not because it is the custom but because they deserve it—the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne. Both have discharged their duties in a remarkable way, a fact which justifies the confidence reposed in them by the government. I also extend my compliments to the two newly-appointed ministers, namely the hon. member for Coast-Capilano (Mr. Sinclair) and the hon. member for Vancouver Centre (Mr. Campney). The vast experience which they acquired as parliamentary assistants to ministers of the crown and their wide knowledge of public affairs gives assurance that they will perform their functions to the benefit of their respective departments as well as to the advantage of the community.

By reading carefully the speech from the throne one will notice that it contains suggestions which are proper to the present government; that is, the putting into practice of sound policies, such as those applied in the past, in all spheres of our national activity. In other words it is a program of future realizations to be added to all the good measures put forward and realized by the present Liberal administration for the good of the people.

The leader of the official opposition (Mr. Drew) has the thankless task of expressing the point of view of his party. He has measured up to expectations. On the other hand the Prime Minister (Mr. St. Laurent) in his magnificent address, among many other interesting matters with which he dealt, said, as recorded at page 34 of *Hansard*:

> It is a part of our democratic institutions that there should be someone recognized in our official organizations whose duty it is to watch and criticize what is being done by the advisers of the crown, and I think it is helpful that that should be so. For three and a half years now the government has been attempting to discharge the mandate entrusted to it in 1949. It has not had too much time available to answer criticism, but it has always given close attention to criticism and has always been as attentive as it could be to remedy such weaknesses as the criticism revealed.

These words show the real picture of our Prime Minister, and are a reflection of his good faith and intentions. Never has he turned a deaf ear to what he considered to be good suggestions, regardless of the side of the house from which they came. That is what I call real statesmanship.

Let us see how far the government went in the realization of the program submitted for the approval of the electorate in 1949. The Liberal party at that time, as it always had, stood for the social welfare and the unity of all Canadians. In accordance with their declarations the Liberals, once in office, have made it their duty to adopt measures in order to improve the conditions of life of the less fortunate without neglecting the interests of the others. I mention as examples measures such as that extending old age pensions to the category of people of 65 years of age to 70, and also that providing

for the universal pension to those above that age. They have also increased the veterans' pensions and established pensions for the blind. They have also awarded an increase in wages to the civil servants. The grants to hospitals and contributions to health laboratories or clinics in every province amount to millions of dollars, which indicates the solicitude of the government towards the improvement of health conditions and adequate treatment in Canada.

This brings me, incidentally, to a part of the amendment moved by the leader of the C.C.F. party (Mr. Coldwell), concerning a health insurance program, which reads as follows:

> We regret further that Your Excellency's advisers have failed:
> (a) To recommend legislation establishing a nation-wide health insurance program, with provision for provincial administration.

I know that such a program exists in the province of Saskatchewan, and has existed for a few years. It seems to have given satisfactory results. I know that special attention is being given at the present time, and has been for some time past, to the establishment of a similar plan on a national basis; but I am of the opinion of the hon. member for Peace River (Mr. Low), whose words were interpreted as follows by the hon. member for Red Deer (Mr. Shaw), as reported in *Hansard* of November 26 at page 102:

> What the hon. member for Peace River asserted was that we are in favour of a national health insurance scheme, to commence at the earliest possible time; but he cautioned the house against any overeager effort on the part of anyone to catapult this nation or the state into any comprehensive scheme of health insurance or hospitalization before the means are available or the facilities are ready for it. The Social Credit leader indicated that the kind of health insurance scheme which we envision would first ensure that we have sufficient doctors, dentists, technicians, clinics and hospital beds available in order to provide the services for all our people under a national health insurance scheme.

This point of view, which I fully endorse, is real wisdom. I know this government is giving this important matter its constant attention, and I am quite sure that in due time, after surveys have been made and necessary precautions taken, and availability of adequate hospitalization assured, a national health insurance program will be added to the many realizations of the party actually in power.

Now let us come back to what this government has done during its present term of office. Many things were said by the opposition in the discussion on the amendment to the Combines Investigation Act, introduced by the Minister of Justice (Mr. Garson), dealing with fixed retail prices. This measure has given good results, except with regard to a few low-cost articles and in particular cigarettes, on which the profit is so low. The abolition of fixed prices on medium or high-priced articles has helped in lowering the cost of living.

In addition to many other opportune measures assuring social security, housing has been given special care and labour problems also have found salutary solutions. The St. Lawrence seaway project is under way; so is the trans-Canada highway, and vast projects of public works are under study.

What has been the most important problem for the government is to assure adequate national defence in order (a) to provide the forces to defend Canada against attack; (b) to provide operational and administrative staffs, equipment, training personnel and secure organization capable of rapid expansion; (c) to work out with other free nations plans for joint defence based on self-help and mutual aid as part of a combined effort to preserve peace and to restrain aggression.

I remember in the early days of my coming to parliament speeches from members of the opposition in which they reproached the government for its lack of real leadership in the face of the sad outlook caused by the opening of hostilities in Korea. These members stated in a combined movement of unsound criticism that Canada was not ready to face the situation. Time has shown that this pessimism was manifested only to serve political purposes. The participation of Canada in the united action of all free nations has been beyond all expectations. Although nothing must be spared, our country is ready to face any aggression. We paid the price for such protection and, as the Prime Minister (Mr. St. Laurent) said, it is the premium paid for the assurance of the survival of democracy.

All these expenses for national defence obviously cannot be made without carrying with them a heavy burden of taxation. Let the menace of war disappear and taxes will accordingly decrease in proportion. Everyone in this house knows that nearly half of all our revenues serves to assure adequate national defence. How can we slow down our efforts in that direction without endangering the lives of our nation and of our allies. Thank God there seems to be place for hope that the danger of war is less and less imminent. Nevertheless no one would suggest, I am sure, that we should cease immediately to prepare ourselves for the eventuality of an unexpected aggression. Hence we must not foresee for some time the complete disappearance of the taxes imposed for national defence purposes, although we might expect a diminution, owing to the fact

previously mentioned, namely the absence of immediate danger of war. I am sure, Mr. Speaker, that the one who will be the most happy to reduce taxes is the Minister of Finance (Mr. Abbott). First of all, as a citizen, he has to contribute himself; and second, knowing his natural disposition, I can assert that he will not fail to seize the first opportunity to alleviate the burden imposed on the shoulders of the taxpayers. As all observe, we foresee an increase of production and business and undoubtedly, if prospects are such as they seem to be for the coming year, he will certainly take into account this eventual situation when preparing the next budget.

I am pleased to see him a little more optimistic. Let us hope that this optimism presages good news for Canadians in the taxation field. Although sometimes his decisions were not a source of popularity for the Minister of Finance, he has never shifted his responsibilities. He has been the advocate of the pay-as-you-go policy, avoiding a heavy mortgage on future generations.

Since I am talking of the budget for the coming fiscal year, I should like to bring to the attention of the minister the necessity of changing the rate of income tax especially for married people and the heads of families. I know that a couple of years ago—not on the eve of an election, mind you—the scale of deduction was increased, but I respectfully submit that there is place for improvement in this connection. Again I also suggest that all revenues derived from stock market profits, or sales of businesses, should be taxed at the source when the transaction takes place. I know of some people selling their stores and properties and realizing a profit of thousands of dollars after only a few years of possession. Fortunes have been realized in stock market transactions without any sort of tax being imposed on the beneficiaries.

I ardently hope that the rate of excise tax imposed on cigarettes will be again decreased, and for many reasons, the principal one being the urgent need of putting an end to smuggling, which has become the greatest competitor of the manufacturers of this product. These manufacturers in certain cases have been forced to lay off some of their personnel. If the expenditures for defence production are to be less and the rhythm of business increased, these suggestions can be put into effect without fear of a deficit.

There is one particular point I wish to bring to the attention of the government, and that is the necessity of studying the opportunity of imposing higher duties on raw materials being exported, if it is at all possible to do so. I shall mention one only, although a complete revision should be made in respect of other products. I would make particular mention of raw furs, which are bought here at a low price, used on a wide scale in the manufacture of coats and all sorts of other garments, and which are dumped here afterwards at very low prices, due to mass production which is carried out particularly in the United States. The result is that our fur workers are kept idle many months of the year when they could be employed manufacturing these products, if it were not for the unfair competition they cannot meet.

Coming back to the reduction of taxes, one must bear in mind the fact that this would not be possible if the government were to listen to the suggestions coming from the opposite side of the house from hon. members who illogically call for increased expenditures approaching some $600 million and demand at the same time a diminution in taxes.

Mr. Fleming: Don't say that.

Mr. Dupuis: You do not say that?

Mr. Fleming: Don't say we called for increased expenditures; that is far from the fact.

Mr. Dupuis: That is what you have been saying for a long time.

Mr. Fleming: No; that is what the Prime Minister (Mr. St. Laurent) said erroneously the other night.

Mr. Dupuis: I have heard it from you.

Mr. Fleming: You heard the Prime Minister say it.

Mr. Dupuis: No; I heard your leader, and the hon. member for Eglinton at the same time, proposing all sorts of expenditures while at the same time asking diminution in taxation. I heard that.

Mr. Fleming: No, you did not hear that.

Mr. Dupuis: Well, if you did not say it I am afraid you are going to be reproached by your chief. Enough has been said on this subject, so that I shall not take more time in offering proof as to how inconsistent these suggestions are. It is evident that this kind of opposition is only an attempt to get votes at the next election. Well, let me tell my hon. friends that they are wasting their time, because the people of this country have enough sense to read the minds of these alleged saviours, and to realize their lack of sincerity and seriousness.

An appeal to the people is expected during the course of the next year. Already all sorts of prognostications are in the air. These are not very promising for any of the opposition

parties, and if there is any doubt in their minds I would refer their supporters to the Gallup poll inquiries which indicate, as was pointed out by the hon. member for Bonaventure (Mr. Arsenault), that the stock of the Conservative party has dropped even faster than has the cost of living index in this country. The same will be the fate of the other two parties, if the predictions of the article which appears in the *Evening Citizen* of November 20 are realized. This article was quoted by the hon. member to whom I have just referred, and reads as follows:

> There is not just one opposition party, as in the United States, striving to push the government out of power, but three, and no one of them has shown any sign of rising to a really dominant position over the others. The Liberals, on the other hand, have in Mr. St. Laurent a leader whose prestige stands high throughout the country. Especially is this true of his own province, and no Canadian political party can hope to win office without showing marked strength in Quebec.

I understand the opponents of the Liberal party will use the slogan which some people believe contributed in a high degree to the victory of General Eisenhower in the recent American election. That was the slogan "It's time for a change".

Mr. Fleming: Hear, hear.

Mr. Dupuis: Well, you will not say "Hear, hear" in a while. Just listen to the rest of what I have to say. It's time for a change—not on this side of the house, but on your side—a change in the ideals you have set out in the past, a change in the principles of your party.

What a disillusionment! Everyone knows that the situation created by the Democratic party in the United States through scandals connected with high-ranking Democratic public servants does not apply in Canada, or to this Liberal government. This is the government which held office throughout the last war, handling and spending billions of dollars, and without a single scandal.

Mr. Casselman: Ten o'clock.

Mr. Dupuis: Are you feeling badly already about my remarks? I am just starting. I am just beginning to be myself, because generally I begin to warm up only after I have been speaking about an hour and a half.

Mr. Casselman: Do it tomorrow, and you will have more time.

Mr. Knowles: Is that how you beat the Liberal in St. Mary?

Mr. Dupuis: I did not beat any Liberal in St. Mary. I was a Liberal myself, and I thought I would be a better representative than my opponent. Some other people thought the same way, and I am here.

In Canada we can depend on the honesty of our public servants, and that of this Liberal government which, during its long term of office, has never been suspected of corruption of any sort. Eisenhower has to his credit a life entirely devoted and heroically consecrated to his country. I wonder if we could find a person with such merit in the ranks of the opposition, so they might feel that they have a chance to take office after the next appeal to the people.

Other factors, such as controversies in connection with the settlement of labour questions, and the part taken by the United States in international affairs, have engaged the attention of our neighbours, and there is no doubt that these factors influenced the verdict of the electors in that country. In Canada the achievement of the Liberal party in all spheres of our national economy is the assurance of the confidence it will receive from the Canadian people. Under the direction of its most worthy chief, Right Hon. Louis St. Laurent, the Liberal party can face the coming appeal to the people with serenity.

Mr. Fleming: When is it coming?

Mr. Dupuis: Well, I think it will be too soon for the hon. member for Eglinton.

Mr. Fleming: Bring it on.

Mr. Dupuis: Is it ten o'clock, Mr. Speaker?

On motion of Mr. Dupuis the debate was adjourned.

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

HOUSE OF COMMONS

Friday, November 28, 1952

The house met at 2.30 p.m.

PRIVILEGE

MR. GARSON—REFERENCE TO REMARKS OF MEMBER FOR BRANDON

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I rise on a question of privilege. Yesterday afternoon I was carrying out an engagement on public business in my own office and I was necessarily absent from the chamber when the hon. member for Brandon (Mr. Dinsdale), in the course of his remarks, attributed to me a statement in these words, which I must repudiate as being incorrect. They are found on page 163 of *Hansard*, as follows:

> For example, our Manitoba minister, speaking recently in Preeceville, Saskatchewan, criticized the trend toward industrialization on the prairies, claiming it to be a revival of what he termed Tory protectionism, whatever that may be.

The fact is, Mr. Speaker, that in that address I never even mentioned the trend toward industrialization on the prairies, let alone criticize it. What I said—and I will quote two sentences—was this:

> Yet, some people in Canada argue that the course of our development should be altered, that we should process and finish more of our own raw materials in Canada; and that, for example, rather than export iron ore, we should enlarge the steel-producing capacity of this country. Now, while from our government's deeds it is perfectly clear—

Mr. Drew: Mr. Speaker, I ask what is the point of privilege that is under consideration?

Mr. Garson: I have just stated it. If my hon. friend will contain himself for about fifteen seconds I shall finish my remarks.

Mr. Speaker: I understand that the Minister of Justice was not in the house when the hon. member for Brandon attributed to him certain statements which he states were not made by him. If the minister had been in the house, according to custom, he would have been permitted, at the end of the speech of the hon. member, to correct any incorrect statements that had been made regarding him.

Mr. Drew: I am merely raising the question because it is obvious that he would be in a position on a question of privilege to correct any inaccurate statements, but I would point out that the minister is taking the occasion to make a speech, and we have from him another speech.

Mr. Garson: Mr. Speaker, I must object to my hon. friend's interjection. I am not making a speech; I am repudiating what is attributed to me, and stating what I actually said at that time.

Mr. Casselman: What page?

Mr. Speaker: Order. The Minister of Justice should only complete the statement which he actually did make, without further comment thereon.

Mr. Garson: As I was quoting, Mr. Speaker, when I was interrupted:

> Now, while from our government's deeds it is perfectly clear that we believe in enlarging the steel or any other producing capacity of Canada to the optimum point, we do not by any means agree with the view that we should process all of our raw materials in this country.

Mr. Pearkes: Are you going to read the whole speech?

MR. COLDWELL—REFERENCE TO REMARKS OF MEMBER FOR PEACE RIVER

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, on a question of privilege; I did not want to raise this while the hon. member was speaking, but the other afternoon I endeavoured to correct a statement which was being made by the hon. member for Peace River (Mr. Low). I was told that I could not do that until the amendment to the amendment had been disposed of. I am in the very difficult position today of not having been able to say anything to correct what the hon. gentleman said.

Mr. Speaker: Order. My recollection is that the hon. member for Rosetown-Biggar stated that he had the proof of the statement which he made, and he wanted to prove what he had previously said. Of course I could not allow that. Today the Minister of Justice has corrected a statement which was directed to him. The other day the hon. member for Rosetown-Biggar (Mr. Coldwell) wanted to prove a statement he had already made.

Mr. Coldwell: I think probably you misunderstood, Mr. Speaker. The hon. member had made a statement that I had said something, and I wished to correct it. I think perhaps there was a misunderstanding in that regard.

Inquiries of the Ministry

Mr. Speaker: If there was a misunderstanding, it is unfortunate, and I regret it. In any event I could not have allowed the hon. member for Rosetown-Biggar to make another speech at that time.

Mr. Coldwell: I understand that.

FISHERIES

OPENING OF CHANNEL TO FACILITATE SALMON FISHING

On the orders of the day:

Mr. J. L. Gibson (Comox-Alberni): Mr. Speaker, I should like to ask a question of the Minister of Fisheries. Would the minister state what action he intends to take in regard to the request of west coast fishermen that salmon fishing in December be allowed in part of area 3 owing to the fact that labour disputes interfered with fishing this year?

Hon. James Sinclair (Minister of Fisheries): I thank the hon. member for having given me notice of his question, because it afforded me an opportunity to get in touch with the west coast. This winter run of chum salmon is a type of fishing which has never been fished in the past, for conservation reasons. However, because fishing stoppages last summer have resulted in adequate escapement of salmon for spawning this year, as an experiment it is intended to open the area from Satellite channel to Comox from December 15 to December 31.

ATOMIC ENERGY

INQUIRY AS TO SETTING UP OF SPECIAL COMMITTEE

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): I should like to ask a question of the Minister of Trade and Commerce. Is it the intention to set up a special committee on atomic energy during the present session? He will remember that there was some discussion of this matter at the last session. I believe at that time he intimated that it was probable there would be such a committee during the 1953 session.

Right Hon. C. D. Howe (Minister of Defence Production): No consideration has been given to the subject matter of the question as yet. However, when the time arrives to set up committees, consideration will be given and I will give an answer at that time.

Mr. Coldwell: May I say that I, too, think it would be a good idea to have that committee set up.

[Mr. Coldwell.]

ARMED FORCES

SUPPLIES OF APPLE JUICE

On the orders of the day:

Mr. Arthur Laing (Vancouver South): Mr. Speaker, I should like to ask a question of the Minister of Defence Production. Has his attention been drawn to an article appearing in this morning's Ottawa *Citizen* dealing with the purchase for our armed forces of a quantity of apple juice, and would he care to comment thereon?

Right Hon. C. D. Howe (Minister of Defence Production): Mr. Speaker, I did notice the article. I had a word with my parliamentary assistant, the hon. senior member for Halifax. Perhaps he could throw some light on the subject.

Mr. J. H. Dickey (Parliamentary Assistant to the Minister of Defence Production): Mr. Speaker, in answer to the hon. member's question I would reply that Canadian apple juice, fortified or vitamized, is on the ration scale of all three of our armed services, and is purchased in volume for consumption. Purchases are made from the industry in Nova Scotia, central Canada and British Columbia.

Apple processors do not operate their plants on a year-round basis, and do not have storage space to hold large quantities available. It is therefore good business for us to purchase these seemingly large amounts from the processors, in season, rather than from wholesalers as required throughout the year. The purchases referred to in the press dispatch, to which reference has been made, constitute one year's supply for the army, navy and air force.

ESTABLISHMENT OF UNITED STATES FIGHTER SQUADRONS IN NEWFOUNDLAND

On the orders of the day:

Mr. G. F. Higgins (St. John's East): Mr. Speaker, I should like to ask the Minister of National Defence whether he has seen a dispatch in several newspapers today, including the *Gazette* and the *Globe and Mail* to the effect that United States fighter squadrons are to be established in Newfoundland at various points, and whether he is prepared to make comment.

Hon. Brooke Claxton (Minister of National Defence): Yes, I have seen these references, and I would be glad to make a statement in view of them. It had been intended that a statement would be made on the subject before this, but it was necessary, in the practice of international courtesy, to clear the statement with the United States authorities before it was made. That statement was cleared on November 25 and I am informed that it was issued that day by External

Affairs to the Canadian press. I do not think however that it has appeared in the press, except in the form to which the hon. member referred.

The statement is as follows:

In the agreement between the Canadian and Newfoundland governments at the time of the construction of Goose Bay air base, it was agreed that the base should be available to the USAF for the duration of the war and for such time thereafter as the governments agreed was necessary in the interests of common defence. The USAF have remained at Goose Bay with the consent of the Canadian government since the war.

In view of the increased international tension during the last three years the USAF and RCAF facilities at Goose Bay have been considerably expanded. The base is, in effect, a joint defence installation and is being used by both air forces in accordance with their agreed requirements.

As a result of this situation there have been USAF squadrons at Goose Bay from time to time.

I should add—despite the fact that this has not been cleared with the United States authorities, I think the house is entitled to the information, and newspaper reports make it necessary—that this is part of the Canadian-United States regional security arrangements under the North Atlantic Treaty Organization. Under these arrangements we have had considerable formations training in the United States, and they have had considerable formations training in Canada.

I recall for example the 25th brigade training at Fort Lewis, and almost all amphibious training of Canadian forces has been done in the United States. This is an arrangement of exactly the same kind, and it should not be regarded as anything else. It will involve from time to time United States squadrons visiting Canadian stations and being stationed there for limited periods of time, subject of course to our preliminary agreement in each case—except with respect to the leased bases—all in accordance with the arrangements we have worked out. In every case—except in the leased bases—the station will continue under Canadian command.

Mr. Pearkes: Is it intended to extend this principle to other parts of Canada? The minister made reference to the temporary stationing of units in Canada. But, so far as Goose Bay is concerned, is it not on a more permanent basis?

Mr. Claxton: No, there is no intention of stationing any squadron in Canada at the present time. Goose is the only place contemplated within the territory of Canada, except the leased bases.

Mr. Higgins: Not the squadron personnel at Torbay?

Mr. Claxton: No.

Mr. Higgins: Are the facilities of these airports to be increased to take care of this additional use?

Mr. Claxton: Torbay is to be expanded to take care of increased supply requirements of the United States air force, particularly pointing toward the northeast, to Greenland. But it is not intended at the present time to increase the operational activities at Torbay.

PHOTOGRAPHY—INQUIRY CONCERNING PERMISSION FROM WASHINGTON

Mr. M. J. Coldwell (Rosetown-Biggar): In view of the statement of Mr. Clete Roberts, I should like to ask if it is correct that before he was permitted to take pictures of the Royal Canadian Air Force he had, first of all, to clear them with Washington—or at least our air force had to clear with Washington before permission could be given to take those pictures of our own air force.

Hon. Brooke Claxton (Minister of National Defence): I am not aware of that matter. I shall have to look into it. However, we would not permit United States photographers to take photographs of Canadian stations without having Canadian permission.

Mr. Coldwell: That is not what he said. He said the Canadian air force had to clear with Washington before permission could be given for him to take the pictures.

Mr. Claxton: I think it would be necessary for him to clear the matter, for purposes of security, and to make arrangements for joint examination before they were shown.

POSTAL SERVICE

SATURDAY AFTERNOON CLOSING—MEDICINE HAT

On the orders of the day:

Hon. Alcide Cote (Postmaster General): Mr. Speaker, on November 25 the hon. member for Medicine Hat (Mr. Wylie) asked the following question as reported at page 62 of *Hansard* of that date:

Mr. Speaker, I should like to direct a question to the Postmaster General. I am sorry that I did not send him notice of it, but I imagine that he will be able to answer it. In view of the fact that the post office in the city of Medicine Hat is closed on Saturday afternoons, will he give serious consideration to keeping it open on those afternoons? It is a big handicap to the people to have to come in to the city on Saturdays.

Since this question was, at the time, taken as a notice, I now wish to answer it as follows:

Medicine Hat post office closes all wickets on Saturday afternoons at 1 p.m., which is the practice in a large number of city post offices.

Other phases of postal business, such as receipt and dispatch of mail, are provided as usual.

The wickets are closed in the majority of post offices on the afternoon of the day that is observed as the weekly half holiday by the majority of business houses in the community, which in Medicine Hat is Saturday, for the following reason:

(a) There is a decided falling off in the demand for service from the public, and

(b) The observance of a weekly half holiday makes it easier to provide a 44-hour week to the employees in the post office concerned.

This is the first complaint that we have received from Medicine Hat with regard to the closing of wickets on Saturday afternoons, but if it is the wish of the majority of the patrons that Wednesday afternoon be observed instead, the department would have no objection.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, November 27, consideration of the motion of Mr. J. L. Deslieres 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. Hector Dupuis (St. Mary): Mr. Speaker, I was just saying at the adjournment last night that the Liberal party can face the coming appeal to the people with serenity. We are proud of our most worthy chief, Right Hon. L. S. St. Laurent, who still has the confidence of the nation. Nobody ever thought that the present government was perfect, but I do not hesitate to say that its leaders have always shown a sense of real comprehension of the aspirations of the people and have endeavoured to serve their interests to the best of their ability, and with an ardent desire to assure the highest standard of living ever known here, contrary to the situation existing under some Conservative governments, and especially during the period of 1930 to 1935.

I will admit that it is time for change. That will be, I think, the slogan of the opposition. It may be time for a change, as I said yesterday, in the leadership of the Conservative party in this country, and also in the ideals of that party. As to the other parties represented in this house, I do not think that their respective principles or doctrines would be beneficial to our country, and I do not think that they can count on a large support among the electorate. I wish I had better news to give to my friends on the other side of the house.

While Sir John Macdonald, Laurier, Borden, King and now St. Laurent have exerted themselves to assure national unity in our country, we see on the other hand politicians provoking the minority, thus creating dissension by declarations such as the following, which has not been denied and which was made by the present leader of the official opposition. I will quote an excerpt from an article which appeared in *Everybody's Weekly,* a British publication, on September 30, 1944, containing an interview of the man who at that time was premier of the province of Ontario:

> "Bax", said the latter to the English M.P., "I want British stock for Ontario. We can take thousands and thousands of your people. The one thing that can keep the French-Canadian pressure within bounds is a strong Ontario, peopled by British stock."

That was said by the present Leader of the Opposition.

Mr. Drew: Mr. Speaker, I recognize that the hon. member is reading what has been handed to him, and I excuse him to that extent. But I would point out that what he probably does not know is—

Some hon. Members: Order.

Mr. Dupuis: Never mind. I like these interruptions.

Mr. Drew: What the hon. member probably does not know is that—

Some hon. Members: Order.

Mr. Speaker: I understand that the Leader of the Opposition is rising to deny that he made a statement that has been attributed to him. I think he should be allowed to do that.

Mr. Drew: Mr. Speaker, I would point out that what the hon. member probably does not know is that at that time it was quite clearly demonstrated that the interview had not taken place and that fact was recognized at the time and generally understood. I can only add at this point that the hon. member is making a wonderful contribution to the national unity which he pretends to advocate.

Mr. Dupuis: I know quite well that the Leader of the Opposition regrets having uttered such words.

Mr. Brooks: He never uttered them.

Mr. Dupuis: Really, Mr. Speaker, I do not want to compare the Leader of the Opposition to a criminal. There is no doubt about that. But he makes me think of a man, on the morning of his execution, getting on the scaffold and imploring the hangman for mercy, and telling him that he will not do it any more.

Those words have never been denied before. I find that they indicate a great magnanimity, a great patriotism and a good sense of mutual comprehension!

On another occasion the same gentleman proved what use he was making of national unity when he declared in a radio speech which he delivered on August 9, 1944, the folowing words as reported the next day in one of his friend's dailies, the Toronto *Star*.

Some hon. Members: Oh, oh.

Mr. Dupuis: That is all right. Maybe I make a mistake once in a while, but I hope that I will not live long enough to make as many and as ghastly mistakes as the Conservative party has made ever since confederation has existed.

Some hon. Members: Oh, oh.

Mr. Dupuis: Just a minute. I know it is not very pleasant but we have some questions to settle here. The report stated:

Mr. Drew termed the family allowance bill an obvious bribe and said "there was every reason why this measure should meet with approval in Quebec where there was a very important election approaching.

It was not written by anybody else but the paper that reported it; and mind you, nobody ever touched that speech of mine. If I am reading a bit, I am just following the example given me by the Leader of the Opposition who read his speech right through. The report continues:

The premier—

That is the premier of Ontario at that time, now the Leader of the Opposition. He has probably not changed his mentality but rather his way of expressing himself in order to try to get some votes.

—asked, "Are we going to permit one isolationist province to dominate the destiny of a divided Canada? I hope that each one of you will answer a resounding "no" which will be heard in every part of the province of Quebec."

I assure the Leader of the Opposition (Mr. Drew) that the resounding "no" has been heard in every part of Quebec and in the country at large and by our English-speaking fellow citizens of other provinces who believe that harmony and comprehension are the basis of the future prosperity of the country. Yes, this resounding "no" is still in the ears of all good Canadians and the disastrous political fate of the one responsible for such an outrage to millions of Canadians will be the ransom of this unpatriotic appeal.

It is good to say these things because after all there is no statesman, no politician who has the right to insult or provoke any race in this country. It will take very many speeches by the hon. member for Three Rivers (Mr. Balcer), who was elected by accident, and the hon. member for Labelle (Mr. Courtemanche), who was also elected by accident, before the people will forget such seditious remarks. All those who stand for national unity have already repudiated the author of such attacks against millions of Canadians. I know the broadmindedness of my English-speaking fellow citizens, and I am sure that they do not concur in such subversive language. I want to assure my colleagues who speak the English language, Mr. Speaker, that, notwithstanding my origin, notwithstanding the language I speak in my home, I am proud of one thing, not only of being a French Canadian but of being a Canadian, whatever my origin may be. At the same time I cannot support anybody insulting the millions of the minority in this great country.

Yes, it is time for a change. I repeat that it is time for a change, not on this side but on the other side of the house, in the ideals of the nation's destroyers of this calibre. Canada will never take the chance of placing its destiny in such hands. That is my own feeling and I am sure that I echo the opinion of the majority in this country.

Mr. Speaker: Order. The hon. member has referred to two other hon. members as having been elected by accident. That is not in accordance with the rules of the house and I think the hon. member must withdraw those remarks. I could not on account of the interruptions follow the hon. member closely enough, but I think he also accused certain hon. members of sedition. If so, I would ask him to withdraw those remarks also.

Mr. Dupuis: I will say "non-amicable speeches" instead of "seditious". As far as those two members being elected by accident is concerned would the words "by luck" be allowed?

Mr. Knowles: The hon. member ought to know.

Mr. Speaker: I suppose that might apply to all of us.

Mr. Dupuis: My modesty forbids me to say the contrary. Coming back to the chances of my dear friends on the other side, of other opposition parties, particularly the C.C.F., I must say that the province of Quebec, together with all other provinces except Saskatchewan, believes in private enterprise and will not adhere for a long time, if it ever does, to a policy of state control of industries. It is too bad for my friends of the C C.F. party but really I do not see any chance for them in the whole of Canada.

I turn now to the Social Crediters. You know, Mr. Speaker, I am analysing the chances of these parties because once in a while people get up on the other side of the house and say, "Wait for the next appeal; you are going to have to take responsibility for this, that and the other thing when you appeal to the people." I am just giving my own opinion about what I think.

An hon. Member: It is not worth much.

Mr. Dupuis: This is not an election speech. It is a speech I can make in this parliament just the same as if I were on the hustings because what I say on the hustings I can repeat in parliament. I do not use different words and I do not have different feelings.

Mr. Argue: How many thousand reprints are you getting?

Mr. Dupuis: I am not going to get one reprint of my speech, and I never have. The people know that the representative of the constituency of St. Mary always does his duty and that is what I am doing at the present time. As to the Social Crediters, I have only a few words. Apparently this party seems to carry on the administration of the government of Alberta to the satisfaction of the people of that province but I find it strange that its leaders have thought it wiser not to put into force the doctrine of the founder of social credit who repudiated Canadian Social Crediters for this very reason. Have they realized that this doctrine is a doctrine of Utopia? I do not know. I was told that a large number of Social Credit supporters were only disguised Tories. That is not a good recommendation as far as I am concerned, and there is good proof of it. Considering the matter further, if we look at the new cabinet that has been formed in British Columbia we find many ministers who were at one time prominent members of the Conservative party, so if they are not disguised Tories they are at least converted Tories.

To summarize my remarks, and before I address a special request to the government, I must say that the majority of Canadians find that they are fortunate to have in charge of the direction of the affairs of our country men of the type represented by those who compose the present government and who belong to the party responsible for the prodigious strides our country has known during the twentieth century, which will be that of Canada, as predicted by Sir Wilfrid Laurier.

I come now to my request that I mentioned a moment ago. Before doing so, I must say that my remarks have not been based on hatred or vengeance, but I say to the Leader of the Opposition that if you spare the rod you are liable to spoil the child, and if my remarks lead him to change whatever opinion he may have had in the past I will be the first one to be glad of it.

Once more I should like to call the attention of the Minister of Transport (Mr. Chevrier) to a matter I have mentioned before. I ask him to give special consideration to the request of thousands of people for the abolition of the tolls charged on the Jacques Cartier and Victoria bridges. These are the only two government bridges on which a toll is levied. I understand that the hon. member for Chambly-Rouville (Mr. Pinard) will introduce during the course of this session a motion to abolish these tolls which I will be pleased to second. I know about the high cost of construction of the Jacques Cartier bridge but it is no more than that of the Quebec bridge on which the toll was abolished after an agreement with the province of Quebec. I wonder if the same thing cannot be done for the Jacques Cartier bridge.

The south shore of the St. Lawrence opposite Montreal has developed amazingly and the population is increasing very rapidly. For example, one can refer to the town of Jacques Cartier of ten years ago when it had a population of at the most 700 people whereas today it has a population of 30,000 to 35,000. There is a reason for that. These people were previously citizens of Montreal and they had to leave the city and build homes on the south shore because of the expensive construction costs involved in complying with municipal construction regulations. These people still work in Montreal. They have to use the bridge every day and, although they combine together and travel for instance five in a car, they have to pay a fee each day which, at the end of the month, represents quite a large sum for those workers who have been forced to migrate to the south shore, if I may express myself that way. I hope the minister will give the matter special attention.

In addition, on week ends especially, a real bottleneck for traffic is created there. People have to wait for blocks and blocks and blocks before they can get on the bridge. If there could be some understanding arrived at with the province of Quebec, as was the case with the Quebec bridge, we could probably expect to give satisfaction to that part of what I call greater Montreal.

Before resuming my seat, Mr. Speaker, I want to tell every member of this house that he can count on my support for every move tending to better living conditions in this

country and to assure perfect comprehension between citizens, irrespective of their origin, creed or language.

(Translation):

Mr. Arthur Masse (Kamouraska): Mr. Speaker, I have no intention of unduly extending this debate. However, I am duty bound to place before the house the problems of my constituents.

Following the example set by previous speakers, I am happy to offer my congratulations to the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne. They have performed their duty in a manner that honours their electors.

May I also be permitted to offer my congratulations and best wishes to the two new members of the cabinet as well as to our new colleagues, the hon. member for Richelieu-Vercheres (Mr. Cardin) and the hon. member for Outremont-St. Jean (Mr. Bourque).

As I previously stated in this house, the electors of Kamouraska are mainly farmers, which is normal for agriculture is the main source of income of our people, since 76 per cent of the territory of my constituency is made up of forests. There are not many industries, yet our workers are quite skilled and only awaiting a favourable occasion to show what they can do.

When I assumed the task of representing the electors of Kamouraska, I thought it my duty to take every possible means to promote industrial expansion and development in the district. For the natural increase of the population being considerable, five or six hundred of our young men and women are forced, every year, to look for employment elsewhere after completing their high-school or technical education. A study of our vital statistics has enabled me to grasp the extent of this problem. This is the reason why I am opposing any mass and uncontrolled immigration.

I know we have large unsettled areas and I understand that it is our duty to accept new citizens when it is in the interest of the economy of the country as a whole to do so.

As the population of the constituency of Kamouraska is made up of farmers, I will speak first of the agricultural situation in the province of Quebec and convey to this house the observations which have been suggested to me. Twenty-two per cent of the 670,000 acres of the constituency of Kamouraska are devoted to agriculture and, in spite of sound price support legislation, present economic conditions make our farmers somewhat uneasy. These last few years, thanks to a well managed economy, our farmers have enjoyed prosperous times. I must admit that they work hard from dawn to dusk and that theirs is not a forty-hour week.

In my district, this year, the hay crop has been plentiful. Grain production, though, is far below standard. Taking into account a possible drop in beef or pork prices, it must be recognized that there is no adequate relationship between feed prices and the price of products such as milk, meat or eggs. Farmers gain little profit thereby.

Such being the case, I wonder if it would not be advisable to establish in the east a branch office of the grain exchange. In this way our merchants and farmers would be able to control the value of the goods they buy. I am perfectly aware of the situation and I would like this matter to be studied seriously.

I know, however, that the Minister of Agriculture (Mr. Gardiner) has shown a great solicitude toward the farmers, but I wonder whether the officials of the Department have given him adequate information about agriculture in Quebec.

Besides, Mr. Minister, you have endowed my constituency with an agricultural centre which is all to your honour. The experimental farm of Ste. Anne de la Pocatière benefits from your generosity. Moreover, you have authorized the construction of a new research laboratory and I know that this building will receive all the personnel and equipment that it requires, so that it may be adequate to the beauty of the site it occupies.

However, our fairs do not receive the assistance one may expect and the regulations of your department should be, in my opinion, more flexible, in order that we may apply them more readily to our type of farming.

We should give our agriculture enough publicity if we wish to avoid, as between our urban and rural population, a state of unbalance which might become dangerous for those in charge of administration. Up to now, our agricultural societies have borne alone the whole burden of expenses. A glance at the shifting of Quebec's population shows that in 1871, 77 per cent of our people lived on the land and 23 per cent in the cities.

Now, in 1941, our urban population represents 63 per cent and our rural population 37 per cent of the total. Those figures rather lead us to believe in the existence of a certain unbalance, which it will be necessary to correct in the interest of Canada's economy as a whole.

I bring my remarks on agriculture to a close by congratulating the Department of Agriculture on having provided for grants to our farmers, under the Canada Grain Act. This measure has been enthusiastically received in the province of Quebec and I am convinced that it has proved most popular among our farmers. However, I wish the act were more precise with regard to grain mixtures, so that buyers would have no misgivings about what they are buying.

During the month of August, it was my privilege to attend a meeting of the Federation of the Catholic Farmers' Union held in Ste. Anne de la Pocatière. I was present at all sessions and admired the seriousness of their discussions. Three of the resolutions that were sent to the federal government had to do with the adoption of a Canadian flag, an envoy to the Vatican and bilingual pension cheques.

The adoption of a flag: This request was also sent to me by members of La Société Saint-Jean Baptiste. I understand that one reason why the adoption of that measure has been delayed is perhaps the distance which divides the different racial groups comprising our nation. The flag must hold in its folds the good will of a united nation. Far from loosening the bonds of what we have most at heart, Canadian unity, it must draw those bonds closer. No nation can live without the union of all its forces, without that respect which gives confidence, without that love which unites the power of men.

Why shouldn't we send an ambassador to the Vatican since other countries have thought and still think that religious differences must not enter into consideration in the matter of deciding whether or not to send a representative to the only state which is absolutely independent? But there again, such a gesture should not be interpreted as something which might divide the various elements constituting the nation.

We come now to the question of bilingual cheques. Why shouldn't the Department of Finance send out bilingual cheques, so that our brothers in the maritimes, our neighbours in Ontario, the western farmers, and our Newfoundland friends may thus feel the unity of our nation? Our nation is complex not on account of differences in opinion but because of the distances which separate its various elements.

Mr. Speaker, I would like to mention very briefly another point. Since August, I have received a great many messages from those of my constituents who belong to the Union of Electors of the province of Quebec. They want the rate of payment of family allowances to be doubled. I know that family allowances and old age pensions have greatly benefited and helped many people. I am aware that the cost of living is very high, but I am confident in the future. I shall be only too glad if economic conditions permit such an expenditure.

However, we must remember that old age pensions are paid by a Liberal federal government; the Liberal federal government takes upon itself the whole cost of old age pensions to people aged 70 and pays half the cost of pensions to those between 65 and 70 years of age. I am therefore satisfied that such a request cannot be immediately granted unless the necessary revenues can be found for that purpose without the government having to increase our already high level of taxation.

Mr. Speaker, I have already asked the house to do something for destitute and crippled people. A government that has already come to the assistance of our aged citizens is duty bound to help the handicapped. However, requests of that kind should not be detrimental to our economy and tend to increase the cost of living.

Mr. Speaker, I conclude by asking the Minister of Public Works (Mr. Fournier) to have a survey made by the engineers of his department of the damages caused by erosion in some parts of my constituency, at Riviere-Ouelle in particular. I have already indicated in this house the causes of this erosion which it might be very easy to remedy in some cases and in so doing we will contribute greatly to alleviating the concern of owners of properties bordering on the river.

I have made these few remarks as a contribution to the improvement of the situation and also in the interest of my constituents.

I know that the state cannot replace the farmers themselves but it is its duty to inform, educate and find new markets, in order to ensure the welfare of the farmers of Quebec and of the whole country. The best way to foster Canadian unity is through the boundless confidence of every Canadian in their leaders and the present government of the Right Hon. Louis St. Laurent gives us every guarantee in that respect.

(Text):

Mr. J. W. Murphy (Lambton West): I should like first, Mr. Speaker, to congratulate the mover (Mr. Deslieres) and seconder (Mr. Schneider) of the address in reply to the speech from the throne. Yesterday an hon. member rose to ask the Minister of National Revenue (Mr. McCann) a question concerning the latest arrival of cigarettes into Canada from the United States. The tobacco business not being foreign to me in any way, having grown tobacco, manufactured it, wholesaled it, retailed it, smoked it and chewed it, I felt I could say something of interest on the subject. At the moment I see this problem perhaps in a more serious aspect than many hon. members.

We have in this country, over the course of several years, developed very fine types of tobacco. We had to produce the very finest type in order to compete with the United States product in the world markets. For instance, Great Britain was formerly buying the United States product. As everyone here knows, ever since the party opposite, which now holds the reins of government in Ottawa, has been in power, they have extracted from the tobacco industry excessive and exorbitant taxes.

An hon. Member: They are doing pretty well.

Mr. Murphy: Someone said, "They are doing pretty well". They could do better. The policy of the Liberal party has been to crucify the tobacco grower; in any event they have been doing it for years. We now find this cigarette, as many people must know, coming into Canada to retail in the large chain grocery stores at 33 cents as against our ordinary cigarette selling at 39 cents. As I see it, Mr. Speaker, this big difference of 6 cents in a package of 20 cigarettes arises from the difference in quality of the various brands. Anyone who has smoked this new brand knows that it is what you might call an outdoor cigarette. Anyone who would dare to smoke it in the house would be chased out by his own wife or his neighbour. Anyone who has attempted to smoke even two or three puffs of it knows that it is manufactured out of what we call distress tobacco.

I have no interest in any way, shape or form in any tobacco business, including those fields that I covered a few moments ago; but at stake in this country is the interest of tobacco producers in many parts of Canada, especially in Ontario. I have particular reference to flue-cured tobacco, burley and plug, and also the cigar tobacco which is produced in Quebec. It may be that these people have complied with the law with respect to dumping duty, customs regulations and tariffs and all that sort of thing, but if our manufacturers are to compete with that particular brand—and I recognize that the same manufacturer can produce different brands of the same cigarette—some help will have to be given to them. It is going to have a terrific impact on our tobacco growers, especially those in Ontario. If the manufacturer in this country is to compete against that type of tobacco he will have to use a similar type of tobacco to produce a similar cigarette to sell at a low price. That will mean a lessening of the demand for the higher types of tobacco, which we have taken years to perfect.

I hate to think of what will happen next year to the tobacco growers who have a huge investment in tobacco plantations in this country. I hate to think what will happen not only when they come to plant, but also when they come to sell. We have lost our British market for most of this tobacco—that is the better class of tobacco—and if the manufacturers are to compete against this particular brand, then the producers will be crucified because of the lack of action on the part of the government.

Many of these people grow tobacco on land that is not suitable for anything else. Anyone who is in the tobacco business knows that. There is a way out. Like other nations, we have subscribed to treaties and trade agreements. There is a clause in the Geneva trade agreement that would apply to the subject which I shall also discuss in a few minutes. I am referring to the sugar beet industry and the importation of refined sugar from Cuba. As I recall it, article 19 is the governing clause. The essence of the article is that any country whose primary producers are suffering because of the importation of goods of any kind may protect those producers. That is the essence of protection which can be afforded to our producers. It applies not only to tobacco growers in Ontario and elsewhere, but to others as well. It is now the responsibility of the government to do something. We would not be the first country on the face of this earth that has subscribed to trade agreements and at the same time availed itself of the escape clauses provided in the agreements.

Before the session opened I noticed several instances of Liberal members, who of course had attended the Liberal meeting here in Ottawa some few weeks ago, warning the Prime Minister (Mr. St. Laurent) and the other ministers about the radio tax and the television tax. Their complaint was that their constituents should not be burdened with these picayune taxes on radios and that in their areas a television tax should not be imposed. Our party has gone on record in respect to radio licence fees ever since I have been in this house. We have opposed them for many years. Many of us in the official opposition have, on more than one

occasion, stated on the floor of this house that we are opposed to any government levying a tax on television in Canada, especially in those areas that are now, and will continue to be, serviced by United States outlets. In the course of his speech on Monday last the leader of this party devoted some time to the question of television, and I fully subscribe to what he said.

There is another matter which concerns many business people in this country. I refer to the sort of double talk that we have been hearing from ministers of the crown with respect to whether we are going to have a decrease in our taxes. When the Minister of Finance was in British Columbia some few weeks ago, apparently attempting to mend some political fences that are in a bad state of disrepair, he made a speech which implied that the government had tax reductions in mind. This was recorded by the press of Canada. A reference to tax reductions was hurled across the nation that same night by the C.B.C. in its national news broadcast. However, the next day the newspapers had an interview with the minister, and he was reported as having said that tax reductions could not be expected in the next budget. I bring this to your attention, Mr. Speaker, because it brings to mind the same tactics used by the same minister when he presented his budget last session. The first part of that budget seemed to indicate a reduction in taxes. When the ten o'clock news came on the air the news was hurled across the nation that the minister had brought down a tax reduction. When the speech was completed we found, of course, that taxes were not decreased but were increased. I say, Mr. Speaker, that Canadians have had enough of this two-way presentation of fiscal policy which in one breath promises tax reductions, and in the next takes them away or even increases them. We have the same illustration in the Quebec by-elections. As reported in the press, the Postmaster General (Mr. Cote) made the statement down there that tax reductions are warranted. Yet, in the same campaign the Minister of Public Works (Mr. Fournier) said the government needed the money, and that taxes could not be reduced.

If they are allowed to continue, these political manoeuvres—because that is what they are—will be detrimental to the country. They serve only to create a state of confusion as to what might be expected by way of taxation. I do not think that is fair to the business people or to the wage earners in this country.

Today people must plan ahead. This way of conducting the affairs of the country beclouds the issue and confuses the Canadian taxpayer.

[Mr. Murphy.]

Let me say this same Minister of Finance (Mr. Abbott), about whom I spoke a moment ago, has, since December 10, 1946, accumulated surplus after surplus each year, to the extent of well over a million dollars a day. This, I would point out, is taxation in excess of the cost of government, in excess of the cost of social security, in excess of the cost of our defence program, all of which were adequately provided for by parliament. In respect of defence requirements, the amount proved to be more than the government was able to spend. This record of overtaxation, which takes away a million dollars each day, was never the intent and purpose of parliament and was never, in my opinion, intended to be the fiscal policy of this country. Yet the government has extracted this huge amount of money from the Canadian people over and above the requirements granted by parliament.

The wage earner who goes home each week, or at the end of every two weeks, with his pay cheque is greatly disturbed about the amount of money he must pay in taxation, particularly when he sees the extravagance and recklessness of the government. No wonder that in the last few months we find that when government representatives have appeared before the people in by-elections, they have been defeated. Prior to the last two, nine of those by-elections were won by Progressive Conservative candidates.

In New Brunswick only a few weeks ago the party which has held office almost as long as the one in office here in Ottawa was rebuked by the voters of that province. And, remember, it is the voter who has the power to rebuke. I feel satisfied that when the Canadian people have the opportunity at the next election they will do across the country what they did in New Brunswick only a few weeks ago.

I should like at this time to refer to a few of the items so ably covered by my leader last Monday. I refer to these cases of extravagance and reckless buying for defence purposes. I would refer, first, to an article that appeared in the *Globe and Mail* some few days ago. I am sure, as my leader said, this article can be relied upon.

I would refer first to rugs and carpets costing $839,903. I notice that the item for carpets amounts to $643,000—practically $645,000. If that carpet were to be laid over a sidewalk three feet wide it would extend some 37 miles.

There is an item of $450,000 for linoleum which, I would hope, would not cost more than $3 a yard. I am sure the carpets could be bought for $10 a square yard. The linoleum

would cover a sidewalk three feet wide and 80 miles long. That is a little more than anyone would care to walk, for light exercise.

Mr. Dickey: Has the hon. member read the proceedings of the defence expenditures committee, at the time when all these matters were dealt with much more fully than they are in the press clippings to which he is referring?

Mr. Murphy: I would hope that when the defence committee meets again it would not be throttled by a huge Liberal majority.

Mr. Dickey: That is a pretty poor answer.

Mr. Murphy: Then, enough raincoats have been purchased to last those requiring them for the next fifty years. Yet this Liberal government is now asking the veterans who fought in two world wars and are preparing for a third to pay such extravagant amounts for this department—and no doubt the same thing applies in other departments. It is unfair to the veterans and to everyone else in this country. These people are placed in the position where they must spend dollars out of their pay cheques to make these unnecessary expenditures. That is the way the public feel about it today.

We had a good illustration of this at the last session when the hon. member for Greenwood, who sits in front of me, brought evidence that the government had ordered some 60,000 serving forks for an armed personnel of 100,000. The government was ridiculed time after time. Someone had the courage to bring the old fork into the house—and I do not know what he intended to do with it. However, I was satisfied that it was not the kind of fork that would be used on the table every day. That purchase of 60,000 serving forks for an armed personnel of a little over 100,000 was just about as much as the people of this country could stand.

After the government had been subjected to ridicule time after time, they got the order down to 40,000, and then to 24,000. I see now it is down to 14,500, and I am still wondering what the armed services will do with 14,500 serving forks. Will we have them for the next 50 years, and let the veterans who fought in the last two wars pay for them?

A few days ago the Prime Minister took two hours and a half in an attempt to make a defence. In this connection I should like to quote an editorial which appeared in the Sarnia paper the day after his speech. I make reference to this editorial because it reflects the thinking of Canadians from coast to coast. The editorial in the Sarnia *Observer* of November 26 is headed "P.M. Provides Ammunition For Opponents In Election".

Mr. Speaker: Order. I have allowed wide latitude in quoting from newspapers during this debate, but I have not yet allowed an hon. member to quote from a newspaper any article referring to what has been said in the house during the present debate. If I were to allow that we would find ourselves in a position where hon. members in the house would be debating with someone outside the house.

To decide what articles should be allowed to be read is a difficult problem. On every occasion I have endeavoured to allow editorials to be read if they referred to something that had taken place before the house assembled, or if they could be considered to contain expert opinions. However, I have tried to keep away from permitting controversy in the house with someone outside.

Mr. Murphy: I appreciate Your Honour's fairness in all cases. Perhaps I might be permitted to make reference to something that is not an editorial but I believe would prove interesting to hon. members. This appeared last night in the Toronto *Telegram,* and I am sure many hon. members will have seen it. It deals with the $3 million item to which the Prime Minister referred the other day when he said that we would be spending only $3 million anyway. Well, some few sessions ago we heard another right hon. gentleman say, "It is only a million dollars. What is a million dollars?" What I now hold in my hand is a cartoon bearing the title "But it's The Same Old Song". On the right side I see the picture of a very fine-looking gentleman who, as a rule, leads the house in the absence of the Prime Minister. The name I notice here is "C. D. Howe". At the top of his picture is, "Hey, you're in a higher key, ain't you boss?" The title of the song is, "What's a million?" On the other side is, "You'll only save $3,000,000." That is in a different key—probably a higher key—and they are both trying to sing that song, but unfortunately it is not very good harmony. But as I notice the music written here, I do not know who could sing it anyway. However, that is quite some feat in singing.

I noticed the other day that the Secretary of State for External Affairs (Mr. Pearson) had to sing for his dinner some place down in New York. I should like to see close harmony like that among the ministers of the cabinet; but we apparently have evidence that it does not exist in all cases because we find contradictory opinions expressed respecting when they are going to lower taxes and when they are not going to lower taxes. We have the statement made a year ago that a million did not mean very much; and now of course we have this new song. I think they will get

a title for it—I do not know whether it will be copyrighted—but I do not think we will find it in the Liberal propaganda.

Mr. Speaker, what I intend to deal with for the rest of the time at my disposal is a matter which also affects the primary producer in Canada. I am referring now to those in Ontario who produce sugar beets. I do not pretend to speak with authority for those in other parts of Canada, but I am sure that there are other members in this House of Commons, in other parties, who are vitally interested in this predicament in which the producers and processors now find themselves owing to the importation from Cuba of some 30 million pounds of Cuban refined sugar already this year.

In order that the house may get a better understanding of this unfortunate situation, I think I should give some basic facts. I want to say first that sugar beets are grown in the provinces of Alberta, Manitoba, Quebec and Ontario. In the last three years—and I have the figures—Ontario has produced in two years more than any other province; and Alberta, I think, last year produced more than Ontario in either of those years.

In order that hon. members may realize the extent of this particular industry, may I say that we have in Ontario some 6,000 growers. This crop is grown in the counties of Kent, Lambton, Essex, Huron, Middlesex, Elgin, Perth and Oxford; and as a matter of fact this year a considerable acreage was planted in Wellington. It is really a hard crop to grow, from a manual labour standpoint, and it is an expensive crop to harvest.

Over the last several years the sugar industry has faced several ups and downs. As a matter of fact, in the early thirties Cuba was shipping into this country an amount of sugar which reached a peak of some 40 million pounds one year. That amount was later reduced, and then curtailed completely because of the change in the Customs Act which placed a value for duty purposes on refined sugar coming into Canada from Cuba. That condition existed up until the time of the outbreak of war when a sugar administrator was appointed, and in fact lasted until 1949. Unfortunately this year the growers find themselves in this position. In less than a year and a half after the government made an agreement with Cuba we have in one year —the last twelve months of that first eighteen —no less than approximately 30 million pounds coming into Canada at a price which is, or has been thus far—and will no doubt continue to be—much lower than what our producers can produce this crop for. The result is that sugar has dropped in Canada from some $10.20 per hundred in January of this year to $8.60 per hundred, Montreal. Worse still, in Ontario we have not been able to move the 1952 beet sugar to the regular markets—for instance, in the Windsor, Hamilton and Toronto areas—because we find that the market is already glutted with refined Cuban sugar.

I might say, Mr. Speaker, that this industry found itself in considerable difficulty some few years ago when the present leader of our party was premier of the province of Ontario. Because of the necessity for increased acreage or increased production of sugar in Canada, it was necessary to encourage the growers to grow a greater acreage, and our present leader at that time came to their assistance by paying some $675,000 over the course of three or four years. The sugar industry in Ontario was revitalized and made its contribution as a war effort.

There are other considerations here, and I think if I quote a paragraph from a brief which I have just received from the chamber of commerce in Chatham it will serve my purpose. Chatham is in the heart of the sugar beet industry in Ontario. There are two huge refining industries in Ontario, one in Wallaceburg and one in Chatham. This industry, of course, affects the grower and the processor but also practically everybody in business as well as a great number of people engaged in labour. This industry incidentally has been an important factor in encouraging these new Canadians in this country to find immediate employment either in the field or in the processing of sugar or at other times to find jobs in the fruit and tobacco markets and in general farming throughout that part of the country. The industry has been no small factor in encouraging these people; and I think all hon. members will agree with me that they need some encouragement, and this in a most practical way. I know that hon. members will be interested in knowing this. I find that over the course of the years many of these immigrants or, shall I say, new Canadians have obtained their start in Canada maybe by working in the fields, and today we find them to have some of the finest buildings and some of the finest farms you can see in any part of Ontario.

The first paragraph of this brief which was sent to me and which, I understand, was sent to all the ministers in the cabinet, reads as follows:

> The sugar beet and beet sugar industry in Chatham and district, which represents an annual income of $12 million per year to growers, field and factory labourers, merchants, truckers, professional men and others in our community, is threatened with extinction.

This crisis arises from unrestricted quantities of Cuban refined sugar unloaded in the largest urban market of Toronto and Hamilton, which have been served by our beet sugar industry, for 51 years. Until this year, no Cuban refined has come to Canada in twenty years, not even during war-short years. This Cuban sugar, produced by native labour which does not enjoy the same high standard of living as Canadian labour, is being unloaded at nearly one cent per pound less than the same sugar is sold in the United States, despite the fact that the freight haul to Canada is longer, and the United States market absorbs about 50 per cent of Cuba's combined raw and refined sugar productions.

In the United States the beet grower is protected by a quota. The United States does bring in sugar from Cuba but only on a quota basis so that the primary producer there never has his position as a producer jeopardized through any threat by Cuba or any other nation sending refined sugar to that country. We find that in 1951 a statement was made by the Minister of Trade and Commerce (Mr. Howe) on May 8, which is recorded at page 2829 of *Hansard*, with reference to an agreement between Cuba and Canada respecting sugar and products which we hoped to sell to Cuba. On that occasion he said:

In the case of Cuba, I wish to make an announcement of considerable importance. The government of Canada has ensured the purchase on that market, by Canadian refineries or otherwise, of 75,000 short tons of Cuban raw sugar, within each of the calendar years 1951, 1952 and 1953, out of supplies made available by Cuba to the world market.

The last paragraph on the same page reads as follows:

The Cuban government has now undertaken to revalidate until January 1, 1954, important tariff concessions which were originally granted to Canada at Geneva, including amongst others, codfish, wheat flour and potatoes. This will be of definite interest to our maritime provinces. Cuba has withdrawn four detailed concessions from us which she made at Geneva. None of them has accounted for much trade, and Canada is being compensated by a small reduction in the Cuban duty on codfish.

We all assumed at that time we would benefit very greatly by our increased exports to Cuba of these various products. I wish to place on the record the figures as to the trade we have had with Cuba, and remember that the Canada-Cuba raw sugar agreement announced on May 8, 1951, was effective from that date. Our imports from Cuba for the first six months of 1951, January to June, were $2,776,000. For the period from January to June, 1952, our imports were $10,200,000 odd. Our exports to Cuba in the period from January to June, 1951, were $9 million odd and in the same period in 1952 were $13 million odd. In other words, our imports from Cuba in 1952 were four times as much as they were in 1951 and our exports to Cuba were about 50 per cent more.

I also want to place on the record the amount of the increase in our trade with Cuba with respect to the particular articles I mentioned a moment ago concerning which the minister hoped that there would be an increase in trade. The articles involved are wheat flour, potatoes and salt codfish. The minister was interested in the export of these articles to that country. I will not break down the figures because it would take too much time. The figures are for the period from January to September in each case. For 1950 the figure is $5,941,000, for 1951, $6,472,000 and for 1952, $4,530,000. The point I wish to make simply is that since the agreement became effective our exports to Cuba of the three products where we hoped there would be an increase have decreased and not increased. I think that is most important, and I say it is no wonder that the sugar beet growers of this country are very much disturbed about their present predicament.

The growers in the various counties of Ontario have several million dollars invested in equipment. They rotate their crops, and they find themselves in the position where they have a great deal of equipment that is not usable for other farming purposes. Unless they can establish continued use for it in the production of sugar beets it will remain idle. I fear that what has already happened in the province of Ontario will also take place elsewhere throughout the dominion. Most of the sugar that has come into Canada within the last few months—in fact a boat was unloaded at a certain port only a few days ago—has come into Ontario. As soon as navigation opens next year we will find that boat loads of Cuban sugar will be shipped to the head of the lakes and distributed throughout the west. Then the producers of Manitoba and Alberta will be very much concerned about the importation of refined sugar from Cuba. The same will apply to the province of Quebec.

I have no doubt that within a few months Cuba will do as it has done in the United States. It will be in a position to package its refined sugar in five and ten pound lots and sell it wholesale to the various stores in the usual manner. After the opening of navigation next spring we will no doubt find that the sugar beet growers not only in Ontario but elsewhere in Canada will be wondering if they will be able to afford to grow sugar beets for another year and make contracts with the Dominion Sugar Company or other sugar processors in the Dominion of Canada.

No grower can afford to take a loss of some $30 an acre on sugar beets, and that is the loss they are taking today. The cheques that were sent out not long ago from Chatham to the growers were some three or four hundred thousand dollars short, and that is

only the initial payment. The growers know as well as I do that they cannot meet the competition of the product coming into this country from Cuba. These growers suggest that the government should consider ways and means, which are open to it under the Geneva trade agreement, that will allow them to stay in business as producers in Canada, and so that their industry will not be sacrificed and crucified by this or any other government.

There is available under the Geneva trade agreement the same escape clause of which one other country not too far away from our boundary has availed itself in recent months, and no doubt will do so again. I say that in all fairness to the Canadian producers we in this country who are subscribers to the agreement must also avail ourselves of the escape clause, which was put in there for a purpose, in order that these people who have so much invested may be protected. This industry, which means so much to our own economy, must have the assurance that it can continue to stay in business and not have its interests jeopardized. I do not think that there is any segment of the agricultural development of this country which can be sacrificed because each means too much to our economy.

We find the tobacco industry of this country threatened with ruin. We also find the sugar beet industry threatened with ruin. That statement applies not only to the producers but to many people who find labour there at different times of the year. We need not confine ourselves to those two industries. We see what has happened to pork products in this country, to cheese products, to milk products, to apples and to oats. It is about time that these primary producers received some consideration from this government.

Now, Mr. Speaker, there are other aspects of this agreement about which I would like to place statements on the record. I feel that there may be some reason for Cuba's recent overproduction. She may want a larger quota of the sugar production of the world. That of course is something for the experts and the minister in charge to consider. Now is the time, I think, for steps to be taken by Canada's senior government to stop the unrestricted flow of refined Cuban sugar to Canada—to save the sugar beet crop and the sugar beet industry. Otherwise it seems doomed to go out of business in southwestern Ontario—in not only southwestern Ontario but the other provinces of the dominion. The industry is contributing many millions of dollars and the effect of its loss on our agricultural and general economy would be incalculable. I feel that there should not be any delay, Mr. Speaker. There is no reason for delay and no reason why this government should now throw any responsibility on any provincial government where sugar beets are being grown.

A few years ago the leader of our national party had the courage to take steps to keep the sugar growing industry in business not only in our own province but elsewhere. The sugar beet producers in this country find themselves now at the mercy of this present government because of the policies of this government, and no one else is responsible. I feel and the sugar beet producers feel that some of these experts and bureaucrats in various departments have had the idea that the producer was protected, and have said: Well, we will accept an importation of 75,000 tons a year over the next three years; but did they or did they not know they were selling this industry down the river? That is certainly what they did because they are crucifying the sugar beet industry not only in Ontario but in other provinces of Canada.

I feel there should be no delay. Although in retrospect there is a great deal of wisdom, the only solution I see is for this government to now recognize its own mistakes and repair them before any further loss is suffered by these producers in Canada. I think that with all their huge investments here they are entitled to have protection. This difficulty is not of their own doing, of their own choice, and they cannot afford to grow the product in view of losses they now face. I do not mind repeating that the basic price for sugar beets depends on the price the processor can obtain for his sugar and his other by-products.

What surprises everybody in this country is that when the delegation came down to see the Right Hon. Minister of Trade and Commerce (Mr. Howe) some time in October, to present a brief representing the growers not only of Ontario but of other provinces, they did not at any time refer to dumping duties. No press reporter appeared at the conference but, after it was over, perhaps as an alibi, we find in the newspapers the indication that the interested farmers were blaming the government for dumping Cuban sugar into Canada. As I understand it, the word "dumping" was never used by any member of the delegation. Whoever, on the government side, at this high level, gave such information to the press gave false information.

I want to go on record, Mr. Speaker, as saying that we may be faced here with such a situation, not only with respect to tobacco and sugar but other primary products which I spoke of a moment ago, because of these uncertain times; that it is necessary for the government notwithstanding the fact that

we are subscribers to the Geneva agreements to protect our own local industries. I refer to farming as an industry in Canada. It means too much to have to make these sacrifices now or at any time.

In the early 1930's we did have action by the then Conservative government, when the late Right Hon. R. B. Bennett was prime minister of this country. We face the same situation today and we still have the same remedies. The producers do not object to raw sugar coming into this country but they do claim, and I think with all justification, that there should be a quota on refined sugar coming into Canada as there is in the United States. They are not asking for any unusual subsidies as are given in the United States to producers of sugar beets, or as are given in Great Britain. Great Britain had to produce its own sugar during the war and made a huge success of it. The prices they are receiving for sugar beets in Great Britain are far in excess of what the primary producer gets in Canada.

If these conditions continue to exist only one thing is going to happen: the sugar beet industry in Canada will be ruined without any doubt, because Cuba is in a position to supply all of Canada's requirements for refined sugar. If that happens all of the people in the various provinces I mentioned a few moments ago will be affected. Every taxpayer, every citizen of the Dominion of Canada will be affected, because no government can wreck any industry—whether it be farming or tobacco—without affecting everyone else in the dominion. Therefore I urge, Mr. Speaker, that other members in this House of Commons, not only from Ontario but from other provinces and other parties, take an interest on behalf of these people who today find themselves in such a sad plight owing to the action of the present government. We feel too that the government has its own selfish reason for protecting any sort of an industry in this country. The government is the greatest shareholder in any industry in Canada today. They are the tax collectors and they share the profits although they contribute nothing in the event of losses. We are going to find losses. I gave you plenty of evidence of that.

I am sorry, Mr. Speaker, that my voice is not good, even for football.

Mr. Wylie: You had better vote for the west, anyway.

Mr. Murphy: You can bet your bottom dollar I will vote for the west anyway. Perhaps some of you fellows from the west will also speak about the sugar industry in Alberta and Manitoba.

In conclusion, Mr. Speaker, I may say that I intend to continue this argument when my voice is in better shape. I believe it is important that all the facts be placed before the members of the house so that they can weigh them, regardless of the party which they represent, and I do hope that they will find access to the minister's office so that they can make proper representations on behalf of these unfortunate people. I have not any hesitation in saying that not only are these people, some 6,000 in western Ontario and many thousands in other parts of Canada, disturbed about their predicament, but the members who represent those particular ridings have a responsibility to place their constituents' case before this high court. If I were a Liberal in the House of Commons I would hesitate to go into these ridings and say, "I am sorry, my friends, but I could not do anything for you; the government in power today is in a position where they say you just have to take it on the chin the same as anybody else." So far as I am concerned, I am in this position. I can go to any place in western Canada or any other place in Canada, and I can assure these people that when Mr. Drew forms the next government they will get action without any delay.

Mr. H. W. Herridge (Kootenay West): I rise this afternoon, Mr. Speaker, to support the subamendment moved on November 24 by the hon. member for Rosetown-Biggar (Mr. Coldwell). For the sake of continuity, I believe it would be advisable to read that amendment.

> That the amendment be amended by deleting paragraphs (d) and (e) and by substituting therefor the following:
>
> "We regret further that Your Excellency's advisers have failed:
>
> (a) To recommend legislation establishing a nation-wide health insurance program, with provision for provincial administration;
>
> (b) To implement their proposals to the dominion-provincial conference of 1945."

A few days ago the member for York South (Mr. Noseworthy) made an excellent speech in which he reviewed the historical developments in Canada so far as health insurance programs were concerned and so far as the promises of this government and previous Liberal governments were concerned throughout the years. Yesterday the member for Winnipeg North Centre (Mr. Knowles), in his usually lucid, comprehensive and all-embracing manner, dealt with, and I think very clearly, the need for a national health insurance program in Canada and the capacity of the Canadian people, based on the wealth of Canada, to pay for this program easily.

This afternoon I intend, in my humble way, to more or less supplement the arguments provided by previous speakers, and to try to provide further evidence of the increasing need for a national health insurance program in Canada, as well as the obvious ability of the Canadian people to pay for such a program. Finally, I would simply point to the scheme introduced by the Labour government in Great Britain under circumstances far more difficult than would be experienced or are experienced in Canada.

In brief, Mr. Speaker, the principles of the C.C.F. health policy follow the broad lines of the national health service in Great Britain, that is generally speaking, allowing for the fact that in Britain you have a unitary state government and in Canada we have a federal system. Rather than make bald assertions or give opinions I believe it is much better, in supporting an argument for a national health plan, to produce evidence.

The first evidence I want to produce as to the need for a plan is to quote from the remarks made by the member for Spadina (Mr. Croll) as found in *Hansard* for June 21, 1951, at page 4457. This is what he had to say:

> . . . from 15,000 to 20,000 die yearly of ailments which could be cured or prevented by timely medical care; that a third of the people of Canada do not have the services of a family doctor, and wait too long before seeking medical care; and that only 20 per cent of the people of Canada are able to afford all the medical care that they need.

That is the voice of a prominent member of the Liberal party supporting the argument for national health insurance. I know this, Mr. Speaker, that when the member for Spadina speaks, he speaks with some knowledge and as a result of a close study of social problems in Canada and in the constituency which he represents. I am sure that a perusal of his speeches in this house will prove to anyone that he makes a careful study of any subject before he speaks on that subject, and when he speaks he demonstrates his attachment to liberal policies—spelled with a small "l" —and humanitarian principles.

What do we find in the evidence as to the health of children at the present time? We hear it stated repeatedly in this house that the children of the country are the greatest asset this nation has. How are we treating our greatest asset at the present time? I quote from the Montreal *Gazette* of February 7, 1946:

> Dr. Jules Gilbert, director of health education for Quebec: "In our primary schools, 80 per cent of the pupils suffer from physical defects."

Fancy a prominent director of education in one of our greatest provinces being able to make a statement such as that in a country so rich in natural resources and in natural wealth as Canada. Without question, similar conditions exist in other provinces. Report after report made by persons interested in this subject, from the Pacific to the Atlantic, indicate a condition similar to that mentioned by Dr. Jules Gilbert, director of health education for the province of Quebec. In many cases, it is a totally unnecessary condition. Are we, Mr. Speaker, as representatives of the people, going to sit idly by year after year without taking the necessary action, and allow these conditions to continue?

In the *Globe and Mail* of December 6, 1950, I find the following news report:

> In a survey carried out in London, Ontario, it was shown that 63·7 per cent of separate school children have defective teeth, and in some schools the rate is as high as 80 per cent.

We know that a similar condition exists in many other places at this time. When you hear of defective teeth existing to that extent across this country you know it is not only evidence of a lack of medical supervision and attention after birth, but in many cases it is evidence of a lack of pre-natal care as well. Is this a continuing process? What happens to these children in later life? To indicate what happens I want to quote from the Montreal *Gazette* of November 14, 1952.

> In a Kitchener Remembrance day address—
>
> That is the last Remembrance day.
>
> —Lieutenant-Colonel H. V. Matthews of Toronto declared that more than 50 per cent of youths trying to enlist in Canada's armed forces are physically unfit.

After all our talk of this grand and glorious country, which it is, and in the knowledge of the wealth abundant in this country, the production of this country, we in this group believe that is a shocking state of affairs. It indicates that what has proven to be the condition of children in primary grades continues to exist until young men reach a sufficient age to volunteer to join the armed services. It is continuing evidence that many of our young people do not receive the necessary medical attention. In my opinion, Mr. Speaker, it is a shocking illustration of our failure to conserve our human resources by properly utilizing our natural resources.

In continuing that line of argument I want to present some further evidence of the

failure of this government and previous governments to meet this problem. Again I quote from the *Globe and Mail* of February 5, 1952:

> Dental records of recruits joining Canadian army show nine out of ten need dental treatment, according to dental officers at defence headquarters. Most of these recruits are in their twenties or late teens.
>
> When the Korean brigade was assembled at Petawawa in the fall of 1950, 6,061, or 90 per cent of the men, required dental treatment. As all the work necessary could not be done in time, a team of nine dental officers was sent to Korea to finish the work there.

That is an illustration of the continuing lack of care of young men and women growing up in this country. That is the condition of those who were accepted. What about the physical condition of those who were rejected? Over 50 per cent were rejected after making application to join the armed services. The figures I have given refer to the fittest, the cream of the crop. The general need, Mr. Speaker, based on this evidence, must be even greater than we actually realize. That is why we in this group continue to say that only a national health plan will reveal the true situation and remedy the conditions that exist today.

The evidence I have given illustrates the position with regard to physical health. I now want to give some further evidence with respect to mental health in this country, which is a growing and increasingly serious problem at this time. Again I quote from the Montreal *Gazette* of April 30, 1951:

> Dr. J. C. Meakins, president of the Canadian Mental Health Association, speaking in Montreal, said that Canada has one million citizens permanently, partially or temporarily disabled by mental ill health at a cost, indirect or direct, of $800 million a year. In 1945 the population of Canada's mental health hospitals was 50,000, by last year it was nearly 65,000.

In my opinion, and in the opinion of the members of this group, it is questionable whether there is any other social problem with which is associated more public ignorance concerning the facts, the suffering involved and the need to meet the problem with knowledge and with social planning. A federal report published in 1947, dealing with this question, indicates that the largest group of persons who are mentally ill come from those people with marginal incomes. That means that it is an economic problem. It is an indication that those with above marginal incomes can do something to prevent the development of mental ill health. But in many cases those in the marginal groups, those with the lower incomes, need the means to do the things that are necessary to prevent the development of mental ill health. In the Montreal *Gazette* of February 11, 1952, I find the following:

> Dr. J. D. Griffin, director general of the Canadian Mental Health Association, said that there are as many patients in Canada's mental hospitals as in all the general hospitals combined. In addition to this, 30 to 50 per cent of all patients consulting family doctors are suffering from illnesses either caused or accentuated by emotional or mental factors.
>
> Poor mental health cripples, in considerable measure, the working efficiency of 10 per cent of our population. It disables more people than tuberculosis and cancer combined. Anxiety states and neurotic disorders are important factors in industrial absenteeism and poor production, in marital discord and broken homes and in social dependence and delinquency.

We have further evidence of the enormous direct price we are paying because of our neglect in this very important matter. In our opinion, Mr. Speaker, the only possibility of saving this enormous waste of lives, of saving the consequent production for the Canadian economy, and restoring those thousands to happiness, is through the establishment in Canada of an over-all national health program.

I want to refer to a theme that I dealt with at some length a year or two ago, namely the question of patent medicines. Quackery always gets my back up wherever it arises—I do not want the hon. member for Mackenzie (Mr. Ferrie) to think that I am referring to him. I cannot stand that sort of thing, and throughout the years I have bought a number of books dealing with the patent medicine racket. I see the Minister of National Revenue (Mr. McCann) paying great attention at this time, which I appreciate, but there has been a great increase in the production of patent medicines in Canada in recent years. Because of their inability to pay for proper medical care many Canadian citizens are forced to turn, or think they are forced to turn, to quack remedies which, although they still cost money, are cheaper than proper medical care under present conditions. Canadians spend hundreds of thousands of dollars each year on patent medicines, many of which are sold as a result of exaggerated advertisements.

I am sure all of us know individuals who have faith in patent medicines. I know a great many people who feel they cannot afford operations and cannot afford proper medical treatment, but who will buy these patent medicines in the hope that they may be helped. Hope springs eternal in the human breast. I have known people who have gone year after year wasting their limited resources on quack medicines of numerous kinds.

Mr. Studer: Socialism is a patent medicine.

Mr. Herridge: Yes, and I would jolly well like to give you a big dose of it.

Mr. Knowles: It would be good for what ails him.

Mr. Herridge: We cure all those suffering from political ill health.

But, Mr. Speaker, since the end of the war, according to the dominion bureau of statistics, the gross value of the production of the patent medicine industry has jumped from the figure of $60,331,000 in 1945 to $89,249,000 in 1951. The gross value of patent medicines only produced in Canada indicates a growing use of those medicines. My source is the dominion bureau of statistics industrial and merchandising division. These figures in respect of the gross value of patent medicines only, produced in Canada, are as follows: In 1947, $8,560,000 worth of quackery; in 1948, $12,827,000 worth of quackery; in 1949, $13,083,000 worth of quackery; in 1950, $14,334,000 worth of quackery and in 1951, $16,285,000.

Here we see a continued increase in the amount of patent medicines purchased. The *Globe and Mail* in a New York *Times* special dispatch of April 4, 1951 says this:

> U.S. federal trade commission ordered "Carter's Little Liver Pills" to drop word "Liver" from the trade name of their product because the pills have no therapeutic value in the treatment of the liver. According to the order the pills have no medicinal effect other than the temporary relief of an ordinary laxative.

I do not think this government has taken action in that respect. I believe Carter's Little Liver Pills are still sold as Carter's Little Liver Pills, because it was only recently I was talking to a constituent of mine who told me that he had bought them for some complaint from which he was suffering, in the hope that it would do him some good so far as his liver was concerned.

Then again I find this in the *Globe and Mail* of May 21, 1947:

> Charles W. Crawford, associate U.S. commissioner of food and drugs, said among the products investigated by his department was a vapour-bath system for diabetes costing $2,200; an apparatus for administering electric shock for abscess of the liver, heart disease and cancer, costing $1,200; a device for administering an enema for arthritis, rheumatism, stomach ulcers and other ailments, costing $1,900.

People buy these quack remedies in an effort to find some relief from disease. Quite recently I was in the shack of an old-timer in my district who had spent more than $50 for some contraption sent to him from Montreal. He was sitting in his chair with his feet in a tub of water, two electrodes strapped to his legs and his hands wired to something else. He presumed that so long as he continued using this mechanical contrivance for about 15 minutes each day he would be cured of some sort of skin disease, as well as a form of rheumatism or arthritis. He would carry out this treatment conscientiously for a period of a month or two after which, obtaining no results, he would turn to something else. That is the sort of thing people do. When they cannot afford to take proper treatment and to have proper medical attention they will buy these patent machines. This is happening throughout Canada because we have not at the present time a national health insurance program.

The Montreal *Gazette* of January 30, 1951 states this:

> Mrs. H. E. Taylor, owner of Canadian Health Aids of Toronto, was fined $100 and $25 costs or one month when she was convicted of advertising cider vinegar and crude molasses as treatments for obesity, gallstones, heart disease and high blood pressure.
>
> Joseph Singer, counsel for the federal health department, said after the conviction, "We are not interested in obtaining a large fine. The crown wants to put a stop to this tremendous racket which has gone from one end of the country to the other."

I submit that if the crown wishes to put a stop to these rackets, then the easiest way to do it would be to have a national health insurance program which would make it possible for everyone to consult a doctor, to take hospital treatment and to secure the medicines and drugs they require. I am sure that would be the most effective way of stopping this patent medicine racket, and the sales of various quack medical appliances.

And, in passing, I cannot refrain from saying how delighted I am to see that I have the rapt attention of the hon. member for Comox-Alberni (Mr. Gibson).

Mr. Gibson: I am learning something.

Mr. Herridge: Rackets are developing because quackery continues and will continue so long as we in Canada fail to use the natural resources and the healing waters we have in such abundance, given to us by the Creator. Quackery is rampant and the nation's healing powers are neglected because we have not a national health insurance program and have not the required co-operation between federal and provincial governments.

I mention this because I am particularly interested in one aspect of the subject. We all know the tremendous toll that arthritis and various forms of rheumatism are taking in Canada at the present time, and have taken throughout the year. That toll seems to be increasing. Yet we find thousands upon thousands of people who, not being able to afford other treatment, are turning to patent medicines and quack appliances at a time

when we have right here in this country the means of preventing a great deal of suffering, relieving many people and curing many others. Mr. S. Katz in *Maclean's* magazine of June 15, 1952, says this:

> Preventative care for arthritis and rheumatism: "Research has shown that 90 per cent of arthritics need not suffer any disablement if they receive early treatment."

I know that, from experience extending over many years. In the constituency of West Kootenay which I have the honor to represent we have a number of splendid hot springs. Among these are the Ainsworth hot springs, the Halcyon hot springs, the St. Leon hot springs, the Nakusp hot springs, all of which are mineral waters coming out of the ground at temperatures of from 130 degrees up. These have proven very beneficial in the treatment of certain types of rheumatism.

I might say that the first dollar I ever earned in Canada as a young man was with a string of pack horses I owned, packing in supplies for men who were doing some building some ten miles back in the mountains at the hot springs near the community of Nakusp. I never forgot that experience, because those were the days of the wild and woolly west. I shall never forget the first pack horse I ever owned. We used to pack about 150 to 200 pounds on their backs. The load on the first horse was a case of clam chowder on one side, a crate of strawberries on the other side, and two cases of whisky on the top. When they got to the destination that night they had what was known as clam chowder whisky cocktails. They took the lid off the coal-oil can—it was a five-gallon can—dumped all the whisky in the tin, dumped all the clam chowder in on top of it, and boiled it. I am not suggesting that was a cure for rheumatism, but I never forgot that, not taking part in the ceremony myself.

From that time on I have been interested in that spring. Unfortunately it is still a small development. There is a bath built, and even today, an average of 500 to 600 people walk over a ten-mile rough mountain trail in order to get relief from various forms of rheumatism. The trees and the buildings are hung with crutches which people have left there. They are people who could not afford to go to expensive institutions, who could not afford to go to places where they had to pay any considerable amount of money. Working people went and took these treatments. I have taken men in on pack horses and saddle horses when I had to rope the man on in order to keep him on, and he has asked me to let him off before I got there but I refused to do so because if I took him off the horse I could not get him back on again. I have had men almost screaming in agony when I had to keep them on the horse to take them to the springs. I have seen those same people walk out two months later either completely cured or generally relieved.

The point I am coming to is this, Mr. Speaker. A small percentage of our population know of these places and can find their way to them. In our district we happen to have a famous hot springs known as Halcyon hot springs on the upper Arrow lakes, a few miles above where I live, which has been developed since the early days of this century. Shortly after the first world war an organization known as the White Cross was formed under General Burnham, who was a doctor in the Canadian armed forces and also in the armed forces of the Serbian government in the first world war. General Burnham's whole life has been given to the study of treatment for rheumatism and to the relief of persons suffering from rheumatism. This is an excellent building. He has carried on this work without any thought of profit. All that General Burnham has had out of his work in 35 years has been his necessary food and lodgings and the price of an occasional trip to Vancouver or somewhere on business.

This spa has become well known all over North America. People come there for treatment from New York, the southern states and eastern Canada. They include people of wealth and people with little money. General Burnham has provided hotel accommodation there, meals, all the treatment you want in the baths, and medical attention—he is a doctor—for $4.50 a day. He has not raised his rates and he refuses to raise them regardless of the increase in the cost of living and things of that sort.

I have personal knowledge of thousands of people being benefited by treatment at those springs. General Burnham tells me that in the early stages certain types of rheumatism can be definitely cured by taking treatments in those hot springs; that in the second stage rheumatism can be arrested, and that in the third stage at least a great deal of relief can be found through the use of these beneficial waters. I know this from an experience of my own mother who suffered from arthritis in her later years. While there was no possibility of her being cured, the occasional treatment she was able to take at Halcyon hot springs meant that she was relieved of pain for a considerable period during and after taking that treatment.

Here in Canada, Mr. Speaker, we have multitudes suffering from various forms of rheumatism and arthritis; there are multitudes in the early stages who could be cured, multitudes whose complaints could be

arrested, and many who at least would find some relief in taking these hot springs treatments. Why is it not possible for these people to take these treatments? For financial reasons. The great majority of those who suffer from these unfortunate complaints are not able to take advantage of the natural healing provided by the Creator in Canada in the hot springs existing throughout the country. I think here is a splendid opportunity for federal-provincial co-operation in a national health insurance plan. Here is an opportunity for us to put our natural resources to work and to provide a great amount of healing and a great amount of cure with respect to some diseases across this country.

Before I proceed, Mr. Speaker, I want to congratulate the Minister of Resources and Development (Mr. Winters), because I am likely to do otherwise later on, for the excellent work that is being done in the development of Radium hot springs in Kootenay East. I have had an opportunity to visit the baths since their recent improvement, and I am sure that the minister, the department, his officials and all those concerned deserve to be congratulated on the splendid development that is taking place at Radium hot springs. The springs I am speaking of are equally good; they are splendid waters. If only we could get a development like that in these other springs I mentioned, coupled with a national health insurance program that would make it possible for people suffering from arthritis and various forms of rheumatism to seek and use these healing waters, we would have gone a long way to relieve a great deal of unnecessary misery that exists in Canada at this time.

In pursuing this subject I wish to quote, again from the Montreal *Gazette* of November 4, 1952, a man who I think is a competent authority. Dr. Campbell Gardner of Montreal, surgeon in chief at Queen Mary veterans hospital and an assistant professor at McGill university, speaking to the women's guild of Christ Church cathedral, Montreal, stated:

> I believe we cannot afford not to give complete medical care for all, just as we cannot afford not to give pure water to all. If some drink typhoid laden water, the epidemic will quickly spread to those who have a pure water supply. Likewise an epidemic of influenza beginning among those unable to obtain adequate medical care will quickly spread and affect us all.

Mr. Speaker, I think we all know that the need is obvious. It has been demonstrated in evidence from many sources. There is no doubt that the demand is there. Labour organizations, veterans' organizations, farmers' organizations and others have in the past urged this government, and are urging them today, to give effect to legislation that will provide a national health insurance program.

I am always interested, Mr. Speaker, in the local touch. In picking up my paper this morning, the Nelson *Daily News*—which is the best daily paper published in a city of its size in Canada—I was interested to read that on the very day my leader was moving a subamendment to the address in reply to the speech from the throne, advocating a national health insurance program, the Kootenay boundary central farmers' institute were meeting in Nelson. On that very day the delegates attending that farmers' meeting unanimously passed a resolution to this effect:

> . . . the meeting decided to petition the federal minister of health and welfare to consider the matter of a federal health insurance plan, with or without provincial participation. A copy of the resolution will go to H. W. Herridge, M.P. for Kootenay West.

I am very pleased that my people never forget me. The need, Mr. Speaker, is recognized by all who face facts. Our capacity to meet this need is greater than that of any other nation on earth in proportion to our population. Why delay? In Great Britain the Labour party for years proposed a national health insurance plan. The Labour party's proposals were opposed for years by the Conservatives of Great Britain. The Conservative party of Great Britain opposed the plan right up to the finish. On the second reading of the bill in May, 1948, which gave to Great Britain their present national health insurance plan, the Tory party to a man voted against that legislation.

But today, Mr. Speaker, no government in Great Britain dares to rescind the legislation that has given the people of Great Britain an over-all health and medical service. Here is what the London correspondent of the *Wall Street Journal* had to say in the issue of November 27, 1951:

> . . . one pillar of socialism—
>
> Mind you, only one pillar.
>
> —"socialized medicine" is certain to remain intact . . . The "free" health service set up by the late Labour government is so popular that it can no longer be made a political issue here.

I predict that if the government took action in that direction, suited and adapted to Canadian conditions, it would not be long before national health insurance could no longer be a political issue in Canada. Proof of the success of the health insurance plan of Great Britain is found in the health of the nation, which was never better. The administrative success of the program is recognized by all fair-minded people throughout the democratic world, and the cost is

being met in Great Britain regardless of the unusual financial difficulties in which she finds herself.

I have proven the need in Canada without question, and I think the majority of the members of the house realize that need. We have the capacity to meet the cost based on contributions according to ability to pay. With that knowledge the C.C.F. urges the government to accept its responsibility in this matter this session and institute a national health insurance plan that will be for the advantage of the people of Canada of today and succeeding generations.

Mr. Wilfrid LaCroix (Quebec-Montmorency): Mr. Speaker, in his speech on the address in reply to the speech from the throne, as well as in the course of his political campaign in the province of Quebec, the Leader of the Opposition (Mr. Drew) stressed the difficulties that have arisen in dominion-provincial relations with regard to taxation, but he is wary of suggesting means of arriving at some permanent form of agreement in the matter. In my opinion that shows the irresponsibility of his attitude. I believe that the electors of Quebec have good cause to doubt the sincerity of the Leader of the Opposition and are bound to examine his political past before passing judgment on the matter.

I must say that the political background of a man still is the best way of weighing what he says as a member of the opposition against what he would do should he ever win an election. In that connection may I be permitted to draw the attention of the house to the following statements of the Leader of the Opposition on provincial autonomy, giving the dates they were uttered, and as reproduced in *Le Canada* of Thursday, September 4, 1952. On February 23, 1935, he said:

> If everything had to be done all over again, who would be mad enough to establish in Canada ten governments instead of one?

On November 10, 1936, he said:

> Canada must do away with the costly inefficiency of ten governments which, in most cases, do what a single government could accomplish.

On January 26, 1939, he had this to say:

> I declare myself in favour of consolidating national ties and depriving the provinces of all powers incompatible with those of the central government, when these powers are not required for the administration of the province.

Mr. Fournier (Maisonneuve-Rosemont): That is the way to say it.

Mr. LaCroix: On April 24, 1941, he said:

> The integrity of a nation can be safeguarded only through a strong feeling in favour of centralization.

On November 10, 1936, he had this to say:

> Canada should remedy the costly ineptitude of ten governments.

As for his friendliness towards our compatriots of the province of Quebec, this is what he had to say on November 29, 1936:

> I do not think it unfair to remind French-Canadians that they belong to a vanquished race.

Again in August, 1944, on the occasion of the plebiscite, he said:

> Are we to allow an isolationist province to dominate the destiny of a divided Canada? I hope that every one of you will reply with a resounding "no" which shall be heard in every part of the province of Quebec.

All these remarks were uttered while the Leader of the Opposition was either in power or the leader of his party in Ontario. I wish to point out, Mr. Speaker, to the Leader of the Opposition here in this house that whether or not he likes it his political past dogs his footsteps. I believe the province of Quebec to be firmly attached to its motto, "Je me souviens". It certainly is not the present Leader of the Opposition who is capable of solving the problem of fiscal relations with Quebec. I have far more confidence in the ability of the present Prime Minister (Mr. St. Laurent) to arrive at a permanent settlement of this question.

Section 91 of the British North America Act enables the federal government to raise moneys by any form or system of taxation in order to ensure an efficient administration for the promotion of peace and order in this country. On the other hand, section 92 grants to provincial governments the exclusive right to implement direct taxation in the provinces in order to enable them to levy the funds necessary for the administration of their provinces.

On the face of it, it seems that both governments enjoy the same rights of taxation and, to my knowledge, this opinion has never been questioned by our courts, for no provincial government has ever dared to institute proceedings in this regard, probably being convinced in advance that a final ruling would grant the same rights to both governments in this field. In any event I am convinced that, regardless of the government in power, Quebec will never surrender the rights guaranteed to her by section 92, any more than the federal government will surrender those which it claims are guaranteed to it by section 91.

Obviously the fathers of confederation had not foreseen that one day Canada would be a great nation and that we would be involved in international problems demanding tremendous expenses which the beginning of our federal existence could not foreshadow. This is an unfortunate situation, for it is evident that the federal government, like the provincial governments, may embark upon a

wild rush toward the same fields of taxation, although according to the Minister of Finance (Mr. Abbott) himself, they have now reached the extreme point of saturation. Consequently a solution must be found which, without depriving the federal government and the provinces of the privileges they enjoy under the constitution, would ensure their security in the field of revenue, without having to increase the burden on an already overtaxed population.

I believe it would be in everybody's interest to revise and specify as soon as possible the limits of taxation possibilities granted each government; for temporary subsidies, because of vested interests, leave the receiving government at the donor's mercy and produce an entirely inacceptable situation as far as my province is concerned. In view of this, may I be allowed to submit to the government the following solution which, I believe, would have the advantage of abolishing the system of subsidies, which is sure to be considered in time as a final withdrawal of the provinces.

Subsidies could be replaced by a permanent arrangement which would provide, under our constitution, for the annual remittance to each province of a percentage, to be determined, of the total income and corporation taxes collected by Ottawa in that province, while leaving the latter in full control of succession duties. As far as Quebec is concerned, there are special reasons to retain succession duties owing to the close relationship between the requirements of our French civil code and our successions.

According to figures provided by the Department of Finance, the income and corporate taxes in Ontario for the year ending March 31, 1952, yielded a total amount of $998,517,170.22. Under the recent agreement between the federal government and the government of Ontario, providing for withdrawal from these two fields of taxation, the province of Ontario will receive annually a grant of $123,327,363.07. This amounts to a little more than 12 per cent of the total revenue collected in a year by the federal government in Ontario in these two fields of taxation. My information is that the province of Ontario yields the largest amount of income and corporate tax.

An agreement providing for an automatic refund to the province of Quebec of a percentage, to be agreed upon between the central government and the province of Quebec, of the total amount of income and corporate taxes collected annually in Quebec would recognize, I think, the undeniable right of the province to levy direct taxes, would simplify collection, and at the same time allow for the variations in Canada's economic situation. I believe that in time it would prove to the advantage of both governments, since the federal government would not have to enter into temporary financial agreements which at the end of five years, or perhaps sooner, might seem quite heavy on the budget. Unless both governments come to some permanent agreement one may well expect that, should a depression come about, the two above-mentioned taxes will be applied in a manner that will soon bring about an economic disaster and a real threat to our Canadian economy.

For the people of Quebec an agreement is essential because otherwise corporations will continue to pay to the province of Quebec a 7 per cent tax which, added to the federal tax, makes a total of 54 per cent; while in Ontario and the other provinces that have signed agreements, of a so-called temporary character, corporations will pay one tax only amounting to 52 per cent. Such a state of affairs is bound to be detrimental to Quebec's industrial development, since many large industrial concerns which obtain their raw material from outside Quebec might resolve, in order to avoid paying 2 per cent more on capital and profit, to move their installations to the province of Ontario.

It would also be possible to implement, through an agreement between the two governments, the proposition that a single form for both personal and corporation income tax be set, each government collecting separately the share required under their respective legislation. This would undoubtedly provide the public with an opportunity to understand better the burden laid upon them by each government.

I cannot be reckoned as a political admirer of Mr. Duplessis and my feelings in this connection are well-known. Nevertheless I do believe that Mr. Lapalme, the leader of the Liberal party in the province of Quebec, would also welcome an agreement defining once and for all the taxation powers of each government. The pretext of fiscal autonomy must cease to be used as a continuously resorted to political expedient, without the least solution ever being suggested.

Mr. Speaker, I take the liberty from my seat in the House of Commons to make these suggestions, which are not perfect but, nevertheless, deserve to be studied.

The present Right Hon. Prime Minister (Mr. St. Laurent), who is most favourably disposed towards my province, will not hold office eternally. We are by no means sure

that his successor, acting under the inspiration of an essentially centralizing bureaucracy, will not adopt as his fiscal mottoes the declarations made by the present Leader of the Opposition (Mr. Drew) on February 23, 1935, November 10, 1936, January 26, 1939, April 24, 1941, and so on. Such an attitude will prevent Quebec from controlling its educational, hospital and other services, services which are our very own, which are guaranteed by the constitution, which are essential to the maintenance and development of a French and Catholic culture which in turn provides this whole country with a really invaluable intellectual asset.

The Right Hon. Prime Minister has already made many efforts to arrive at an agreement in this matter. I believe there should be a solution. If the Right Hon. Prime Minister and the premier of Quebec could manage to save our federal system of government, whatever the effort, they would be doing this country immense service. In a land as rich and diversified as ours, it is the only system compatible with true democracy.

Mr. G. M. Ferrie (Mackenzie): Mr. Speaker, I wish at this time to congratulate the mover (Mr. Deslieres) and seconder (Mr. Schneider) of the address in reply to the speech from the throne. In doing so I want to say that we should have no fear for the Liberal party in this country when they can go out and persuade men of such calibre to run for membership in this House of Commons. They have proven themselves beyond doubt to be men of real ability, and I wish them well from now on.

Just yesterday the member for Vegreville (Mr. Decore) said that a great event was taking place in Toronto tomorrow, a football game. Next week an event is taking place in the city of Ottawa, and it is another kind of game, an election. Both the candidates for mayor have said that they are running on a ticket for higher federal grants. I believe it is time, Mr. Speaker, that someone said something in this house about these grants. In Canada we have a constitution, the British North America Act. In that act it is stated that no government shall pay taxes. The city of Ottawa is claiming that grants should be paid to the city from the federal treasury for the services that are being rendered to the people of Canada. I believe, Mr. Speaker, that the people of Canada are rendering a service to this city. Why should the people of Ottawa ask the people of Canada to help them pay their taxes?

Today between 38,000 and 40,000 people in the city of Ottawa are working for the people of Canada. If it were not for the buildings that are here, if it were not for the fact the government is here, would there be such a place as Ottawa? Many years ago it was known as Bytown, and it would still be known as Bytown if it had not been chosen as the capital city. I want to say that if the government is going to give this grant to the city of Ottawa, then let them give grants to the 4,200 other municipalities in the Dominion of Canada. The municipalities in the western provinces are just as much entitled to those grants as the city of Ottawa. These two candidates have appeared on the platform and asked the people of Ottawa to elect one of them as mayor of this city, but both say that they want higher federal grants. When the estimate covering this grant comes up I, for one, am going to propose that it be cut to $1. I am sure that the people of Canada would be well satisfied to see these grants reduced. These people in the city of Ottawa are just as much entitled to pay taxes for improvements as anyone else in any other part of the country.

Mr. Knowles: Well, don't they?

Mr. Ferrie: I want to say how pleased I am, Mr. Speaker, to see this announcement: "U.S.A. lifts livestock ban on March 1". I want to say also that we have a great feeling of pride in the outstanding performance our Department of Agriculture has given in cleaning up the foot-and-mouth disease around Regina.

Mr. MacDougall: A world record.

Mr. Ferrie: As has just been said, it is a world record. I want to add my small voice to the others in saying how thankful we are to see the United States market opened. It will be of benefit not only to the people of western Canada but to the dairy farmers of eastern Canada who will have a market for their cattle in the spring. I hope that market will stay open forever.

At this point, Mr. Speaker, I want to make my annual speech about the defence highway. I am not going to pass up the opportunity this year. I still maintain that the Department of National Defence should render a service to the people of western Canada by building a highway from Edmonton to Winnipeg. Why do I say that? The reason is that some time in October there was a movement of troops and guns from Wainwright down to Petawawa. The movement took place over this highway I have mentioned, and by the

time they had proceeded a few miles there were ruts in the road which cars could never begin to navigate.

If one watches the news from Korea, one finds that at the end of every week we are told how many planes were shot down. If you will look at the news you will find that most of those planes have been shot down as a result of anti-aircraft fire. If the Department of National Defence wanted to move guns up to the northwest corner of Canada, they would find that they could not possibly do so over any road that we have in western Canada. Once again I say that we are entitled to that road not only because we live there but because we have shown Canada and the world that we can produce. No one can say that the Dominion of Canada cannot afford to build a highway of that description. They can afford it because the wealth that comes out of those three western provinces would pay for it in a very short time.

I should like to say a word about another highway, namely highway No. 35 from Nipawin to Flin Flon and the largest village in the province of Saskatchewan. I am not sure that it is not the largest village in Canada. I refer to the village by the name of Creighton. It is only a town, but it is big enough to be a city. Flin Flon has 12,000 people. The people who live in that mining area cannot go west. They have to go east and south about 150 miles before they can start to go west. That is not fair. These people have gone up into that country and produced wealth. The city of Flin Flon has paid around $80 million in taxes. Surely they are not asking too much when they ask the federal government to help them to build highway No. 35 from Flin Flon to White Fox or Nipawin. I had the pleasure of flying over that proposed highway last summer. I flew from Prince Albert, and followed the proposed highway through the slash, through the bush and across the muskeg in a plane up to the top of Cumberland lake. I then flew down from the top of Cumberland lake to Cumberland House. I am sure there is nothing up there that cannot be overcome with the machinery we have these days.

In the province of Saskatchewan we have a minister who says things and has them printed, but they are a little bit far-fetched. I refer to Mr. J. T. Douglas of Saskatchewan.

Mr. Casselman: I thought it was Jimmy Gardiner.

Mr. Ferrie: If you were half as good as Jimmy Gardiner you would be all right.

Mr. Ross (Souris): How do you mean?

[Mr. Ferrie.]

Mr. Ferrie: Any way you like to take it. J. T. Douglas has said to some of the people in Flin Flon that he has made application to the federal government to help them to build this highway. I have been waiting for two years. Twice I said on the floor of the house that he should make application. At this time he says he has made application. He has done nothing of the kind.

What is the reason for this? We do not understand why Mr. Douglas, the minister of highways in the province of Saskatchewan, should not want this highway built. I am sure he would get a sympathetic hearing in Ottawa if he would just humble himself and ask for a little help.

I should like to bring to the attention of this house one or two things that have been said by some of the members from Saskatchewan who sit with the C.C.F. Some of these hon. members have made certain statements. I look around me and I see my friend the hon. member for Assiniboia (Mr. Argue). He made the statement in Saskatchewan at his own nomination meeting, and at two or three other nomination meetings, that we as Liberals would not co-operate with him or with their party in any way, shape or form. I want to say, Mr. Speaker, and I want to let the people of Saskatchewan know, that never once since I have been down here has any member of the C.C.F. ever come to me and asked me to co-operate with him in getting any measure through the house. They never came in any way, shape or form. At one time we Liberals from western Canada were in a little difficulty in trying to get through this house a grant of $65 million for the farmers of western Canada. I think some people here realize just exactly what it cost us to persuade some of the members of this house to support us.

Mr. Ross (Souris): It will cost you your seat.

Mr. Ferrie: I hope you heard that from another man from western Canada. That is the Conservative idea, that we should not get it.

Mr. Ross (Souris): It was just one-tenth enough.

Mr. Ferrie: As far as we went at that time we did our utmost to help the farmers of western Canada, and we not only had kicks from the east but we had kicks from the west. The point I am trying to put over, Mr. Speaker, is simply this. When we were in that difficulty we decided that we might need some help. The hon. member for Moose Mountain (Mr. Smith) went around to the leader of the C.C.F. party and said: "We might need the help—

Mr. Ross (Souris): No wonder there was trouble brewing.

Mr. Ferrie: —to put over this legislation." He said, "All right, I shall go and round them up." The hon. member for Moose Mountain said, "Those C.C.F. members from Saskatchewan are gone." The hon. member for Rosetown-Biggar said, "My C.C.F. members are not gone," and he started out to round them up. Then he came back and said, "They are gone," and as a matter of fact they had gone.

These are the C.C.F. members who are the great boys, who say, "We are out for the farmer; we are out to help him." Because they could not get everything they sulked, they beefed; they said, "If we cannot get all the loaf we will not take any of it. We will just let the farmer down. We will not vote for him at all."

An hon. Member: Where was the hon. member for Souris?

Mr. Ross (Souris): Come down to Souris riding and you will find out.

Mr. Ferrie: Let me say that is not the only time this has been done. They get out in the province of Saskatchewan and tell all sorts of stories about what the Liberals are doing here in Ottawa. They tell us we are the ones who are always wrong, that we are the ones who are doing injury to the farming population of western Canada.

Right now we are being accused of failing to put health insurance into operation. The hon. member for Winnipeg North Centre (Mr. Knowles) has said that.

An hon. Member: Off centre.

Mr. Ferrie: Yes, he is off centre, too. He has said that Liberal members should get up and say something about health insurance. Well, let me tell him that I have forgotten more about health insurance than he will ever know. In the municipality I represent we have had a form of health insurance since 1928. At one time I went down to Toronto and bought a 50-bed hospital—and I bought it alone—for the use of the people of western Canada. That hospital was put into operation. Let me ask the hon. member for Winnipeg North Centre if Winnipeg has even hospitalization? I say to him he has not yet sold it to the people of Winnipeg. It has been sold to the people of Dauphin, but it has not been sold to the people of Winnipeg.

Mr. Knowles: Does the hon. member not know the extent of the free medical services we have been able to build in Winnipeg?

Mr. Ferrie: But you have not free hospitalization and free medical care such as we have. You should be selling that, before you try to sell it to us in other parts of western Canada.

Then, in the second place, why do you not sell it to Ontario and Quebec? You should have no trouble in selling it to us, because west of Winnipeg we are health-insurance conscious. We know all about it, because we have tried it. We have a great number of municipalities in Saskatchewan and in Alberta and quite a few in Manitoba that are giving free medical care. He should try to sell it to the people of Ontario.

Mr. Knowles: I take it that you will vote for it?

Mr. Ferrie: I will not vote for your motion, that's a sure thing. Any time I vote for a C.C.F. motion there will be two moons in the sky.

Mr. Gibson: You have to have some pride.

Mr. Knowles: Broad-minded Liberals!

Mr. Ferrie: I never voted socialist in my life, and I am not going to. So far as we in our province are concerned, when we started this medical care we paid for it.

An hon. Member: It is not free, then.

Mr. Ferrie: We are not yelling to anybody to pay for it. We taxed our people and paid the bills, and we are still doing it. And we are not doing what the socialist outfit is doing in Saskatchewan. I have in my hand a card put out by the C.C.F. government. On the back of it they say exactly what they are going to do. The card indicates that operating and case-room facilities are free. The lady who held this card had to avail herself of these facilities, and had paid $5 for her ticket in 1947. She went to the hospital and, although she was not confined to bed, she had the required work done. This work has to be repeated every so often. What has happened? Well, they say that, in addition, it will cost her $35, and she has said that she is not going to pay it. This Mrs. Kemper has been asked to pay the $35 and her reply has been, "No, I won't pay it". That is the way the C.C.F. do it.

An hon. Member: With their free hospitalization.

Mr. Ferrie: Yes, with their free hospitalization, as one hon. member says. What did they do in this case? They sent her a final notice, this time from the city of Toronto, because they dare not do it in Saskatchewan. The notice in this instance was received from the Medical Audit Association at 32 Front street west, Toronto, and it points out that if she does not pay she will be sued and that legal fees will be added.

Mr. Gibson: The wolves of Bay street.

Mr. Ferrie: These are the things that happen under the C.C.F. government, the controlled outfit in Saskatchewan. These are the things we are against. In the municipalities of Saskatchewan we have spent thousands upon thousands of dollars for medical care, and I do not think anyone would find a case where we acted in this way.

An hon. Member: And did not put them in jail, either.

Mr. Ferrie: What I have described has happened in Saskatchewan; yet these C.C.F. members are asking us to go ahead and to put something into operation, without knowing where we are going.

Then let us go back a little and see what happens. In 1944 an outstanding piece of legislation was set out in the speech from the throne. Everyone in this building in those days was talking about family allowances. To make a long story short, some of these people including Premier Douglas and the hon. member for Rosetown-Biggar (Mr. Coldwell) are saying that they were responsible for placing this security legislation on the statute books. Let us consider that 1944 vote on the speech from the throne. It has been mentioned before in this house, and I think it should be mentioned again. When the motion was brought on the floor of the house a vote was taken, and the then leader of the Conservative party in this house, the hon. member for Peel (Mr. Graydon), said there was only one piece of legislation in that speech from the throne that really mattered. He said that as the family allowance was going to be a benefit to all the people and the children of Canada, he persuaded his party to vote for that bill or to vote for the speech from the throne; and he did vote for it.

Mr. Ross (Souris): Where did you get that quotation?

Mr. Ferrie: From his own account. If the hon. member looks at it he will find it at page 364. All the Conservatives voted for it.

Mr. Ross (Souris): The hon. member said he persuaded his party to do so.

Mr. Ferrie: Yes. That is what he himself said. You can look it up in *Hansard,* if you like to do so.

Mr. Ross (Souris): What page?

Mr. Ferrie: April 25, 1949. He made a speech, and he knows this because I asked him about it. He said he did. That is exactly what happened. The Conservative party of that time voted with the Liberals on the speech from the throne when the family allowance measure was in that speech. What happened with regard to all these people who never do anything wrong, who are always trying to tell us that we are the ones who do not do anything but exploit the people? What did they do? The C.C.F. members from Saskatchewan voted against this speech from the throne. I will ask them what would have happened if the Conservatives had not voted with the Liberals.

Mr. Knowles: The government had a majority.

Mr. Ferrie: The government might have gone down. Then how long would it have taken for even the Liberal party or anybody else to sell family allowances to the people of Canada again? Let us see who they were who voted against this speech from the throne, these men who said that they did not want family allowances.

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

Mr. Ferrie: Sit down.

Mr. Knowles: I rise on a question of privilege, Mr. Speaker. I submit that the hon. member has no right to interpret a vote of non-confidence, a vote on the speech from the throne, as a vote on any particular measure that might have been mentioned in that speech from the throne. He is trying to show that the C.C.F. voted against family allowances, which is completely false. If he is fair he will tell you that, when the vote was taken on second reading of the family allowances bill, every member of the C.C.F.—indeed every member present in the house, in all parties—voted for it.

Mr. Ferrie: Mr. Speaker, the point I am trying to bring out is just exactly what the hon. member says. He voted for it when he knew the country was for it. He did not take any chances at all. These are the gentlemen that voted against the speech from the throne: Blackmore, Bryce, Burton, Castleden, Coldwell, Dorion, Douglas (Weyburn), Fair, Gillis, Hansell, Hlynka, Johnston (Bow River), Knowles, Kuhl, MacInnis, Marshall, Nicholson. This last gentleman has just been nominated to run against me. Then there was another great man who got to his feet here the other day, talking about all that they were doing, that they were the only people that had pushed anything. I refer to Noseworthy. Noseworthy voted against it.

Mr. Knowles: Against what?

Mr. Ferrie: Against the speech from the throne. If it had been defeated, what would have happened? There would not have been any family allowances, and you know there would not have been. Why did you vote against it? Because you did not know what the people were thinking. That is why.

Mr. Knowles: You are crazy. You used that argument in the 1949 election and you are going to try it again. It will not work this time.

Mr. Ferrie: I can see that we have got their goats, Mr. Speaker.

I want to say this in closing; it is getting near six o'clock. We have been told by the C.C.F. party in the province of Saskatchewan that everything we do is wrong. I have a quotation here, but I will not take up any more time. Here is Premier Douglas telling the people to vote against the marketing policy of this government. What does the marketing policy mean? It means the sale of our wheat and the floor price of our cattle. I should have liked to go into that matter, but I cannot do it now; I will do so, however, in the budget debate. I will speak with regard to the speech which was made by Mr. Douglas in protest and also with regard to the hon. member for Middlesex East (Mr. White) and his price for cattle. I should like to say something about that. Mr. Speaker, it is six o'clock and I move the adjournment of the debate.

On motion of Mr. Ferrie the debate was adjourned.

CIVIL SERVICE

PRESS REPORT AS TO LEGISLATION TO PERMIT GARNISHEEING OF WAGES

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I should like to make a brief statement with regard to a matter concerning which I think a good deal of misunderstanding will arise if it is not corrected promptly.

Mr. Drew: What is the nature of the statement? What is the subject matter? If we are told that, we can indicate whether or not we agree to the statement being made.

Mr. Garson: The subject matter is a story in this evening's *Citizen* to this effect:

> The garnisheeing of wages of federal government employees is expected to be permitted under legislation which may be introduced at the current session of parliament, it was learned today.

I think it would create a great deal of misunderstanding if a story like that went out. I may say that there is no foundation for that story. There is no intention to introduce any such legislation. The reference in the speech from the throne which is quoted in this newspaper article to this effect—and I am now quoting from the reference in the newspaper—

> . . . A measure will be submitted designed to place the crown in substantially the same position as a private person with respect to liability for acts committed by its servants.

—is only partially quoted. The full text of that selection from the speech from the throne goes on in the speech itself as follows:

> . . . for breach of duty arising out of the ownership or occupation of property, and for salvage claims . . .

Exposing the crown to suit for the acts of its servants in connection with breach of duty arising out of the ownership or occupation of property has nothing to do with the garnishee process at all, and it is not the intention of the government to introduce legislation permitting the garnisheeing of civil service wages.

Mr. Fournier (Hull): I move that the house adjourn until Monday at 2.30 p.m., if that meets with the approval of hon. members.

Motion agreed to and the house adjourned at 6.05 p.m.

HOUSE OF COMMONS

Monday, December 1, 1952

The house met at 2.30 p.m.

HOUSE OF COMMONS

MR. POULIOT—FELICITATIONS ON ANNIVERSARY OF ELECTION TO PARLIAMENT

Mr. W. G. Weir (Portage-Neepawa): Mr. Speaker, I rise at the moment on a question not so much of privilege as of courtesy. Yesterday afternoon I happened to look through the Parliamentary Guide, and found that one of our distinguished members in the house is today celebrating his twenty-eighth anniversary as a member of the house. I refer of course to our genial and very good friend, the hon. member for Temiscouata, Mr. Jean François Pouliot.

He was first elected to the House of Commons in a by-election on December 1, 1924, and has been elected in seven general elections since that time, a period of twenty-eight years—three years more than a quarter of a century.

While in the house we may have our differences, while there may be harsh words exchanged at different times across the floor of the chamber, nevertheless I think that on an occasion of this kind we might pause a moment and pay a well-deserved mark of courtesy to one of our senior members in the house. I do this with a great deal of pleasure, although perhaps all too inadequately.

I noticed further, in reviewing the comments in the Parliamentary Guide, that the Pouliot family has been quite distinguished in its record of public service. I believe the hon. member's father was a member of the House of Commons, and that his grandfather and great-grandfather served in various legislative capacities.

It is clear therefore that the background of the Pouliot family in the public life of this country has been most significant. Having in mind the atmosphere of this institution, and what it means to serve here a long time, I think all hon. members this afternoon would wish to pay our tribute of respect, and to offer our congratulations and very best wishes to the hon. member for Temiscouata.

I believe I speak for all members in the House of Commons when I extend to the hon. member our very best wishes.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, may I indicate my own hope that everyone will join in extending good wishes to the very genial member for Temiscouata. May I point out that he occupies a unique position in the house, not only by reason of the association of his family with the public service of this country, but perhaps in another way. I refer of course to the fact that he has differences of opinion not only across the floor of the house, but at times even on the same side of the house. In the relatively short time I have been here, he has never hesitated in that respect to express his opinion. He knows I do not always share his opinions, and I have discovered he does not always share mine. I know that with whatever friendship I extend my congratulations today, and I do so with good friendship indeed, he will not expect me to assist him unduly in continuing this long record of public service—although I must say he seems to have got on very well without that in the past.

In all seriousness may I say that it is a matter for comment that in one family there should be such a unique record of public service. When anyone can look back on 28 years of personal service and recall that his father, his grandfather and his great-grandfather served Canada in a similar capacity, it is indeed right that he should claim to have sought to help Canada by serving the country publicly. In doing so there has been established a family tradition.

Whatever differences of opinion there may be, and these differences of opinion characterize this free democratic system of ours, may I add to what has been said already—I feel sure that this is the conviction of every hon. member here—and extend to the hon. member for Temiscouata all good wishes and hopes that he may enjoy in health and happiness the many friendships he has established.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I am sure that the official whip of the government and the Leader of the Opposition (Mr. Drew) have spoken for all of us. In the seventeen years that I have been here it has been my pleasure to sit almost directly opposite to the hon. member for Temiscouata. Not only have I listened to his contributions to the debates that have appeared in *Hansard*; I have also heard the witticisms in which he has indulged and which on occasion did not

get into *Hansard*. I have enjoyed both and I hope that at least for the lifetime of this parliament all of us may continue to enjoy these witticisms.

As the Leader of the Opposition and the hon. member for Portage-Neepawa (Mr. Weir) have said, it is unique that a dynasty in elective service, for such it is, should have been established in parliament and legislatures for four generations. I would hope that this tradition will be carried on when the time comes by the young son of the hon. member. I am very happy indeed to join in these felicitations.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, I think it is obvious to all present that there is nothing further to be said. The Social Credit group join with their fellow members in the fine things that have been said concerning the hon. member for Temiscouata.

Mr. Gordon Graydon (Peel): Mr. Speaker, as next-door neighbour to the hon. member for Temiscouata in our room accommodations, and as a friend of long standing, I want to say a word about the hon. member. For a short period of time I occupied the position of leader of the opposition, and at that time I am afraid I was a very green stick of political timber. While I was carrying on my duties in that capacity, I shall never forget the great kindness and the extreme courtesy that I always received from the experienced and brilliant member for Temiscouata.

At all times I have been the recipient of many acts of kindness, in and out of the house, by this member from the province of Quebec. Two years ago he came into the county of Peel to address one of our important organizations which, I hasten to say, has nothing to do with politics. I think he left one of the best impressions that any parliamentarian who has come into my part of the country has ever left upon the people. As an ambassador of good will between the different sections of Canada he has made an outstanding success.

Quite often at the United Nations—I am sure my feelings are shared by other members who have been there—when listening to Vishinsky carrying on in his top form and doing the most damage he could, I have wished that for a few fleeting minutes Jean François Pouliot could be there to deal with him as he deserved.

When he visited us in Brampton two years ago we presented his charming wife, through him, with a bouquet of flowers from the flower town of Canada. I only wanted to rise and add to that bouquet a verbal orchid of my own.

Mr. Daniel McIvor (Fort William): Mr. Speaker, as a former deskmate of the hon. member for Temiscouata, may I say that I have always found him courteous and kind to me in my inexperience, and sober, sensible and convincing in his remarks. I want to bring to him greetings from a number of friends in Fort William who wish him at least 28 years more in the House of Commons. We wish him not only success here but peace in his own heart.

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, I wish to thank the chief government whip, the Leader of the Opposition (Mr. Drew), the hon. gentleman who leads the C.C.F. group (Mr. Coldwell), the hon. member for Lethbridge (Mr. Blackmore), my good friend the hon. member for Peel (Mr. Graydon), and my good friend the hon. member for Fort William (Mr. McIvor).

I am quite fortunate in having been a member of parliament for 28 years. I went through eight general elections, three within twenty-two months, and here I am listening to the finest obituary to which one could listen. It was most kind of the whip to speak as he did and I am deeply touched by what he and the other gentlemen said.

I remember when I was first elected to the House of Commons 28 years ago. It was a Monday like today, with fine weather. It had been a terrific election. When I was invited to the land of flowers, to Brampton, to speak before a social club there, I told them some of the incidents that had occurred during that election and perhaps I could repeat one or two at this time.

I did not run as an independent, I ran as a straight Liberal. The official candidate was not actually the member for Temiscouata, it was another gentleman. It was quite difficult to convince some of the die-hard Liberals that their duty was to vote for me. Therefore my friends got a good-looking chap with dark hair who went from house to house to canvass the people. He told them that he was Mackenzie King's messenger and that it was their duty to vote for Pouliot. When they asked his name he said he was Chubby Power. He was not actually the hon. member for Quebec South (Mr. Power), he was just a good friend of mine. There was no impersonation, because he voted in his own name. That is just one of the numerous stories I told in Brampton.

I think my hon. friends know that I do not intend to make a long speech but I would like to tell the house the secret for survival in politics. I think each member of parliament knows it. The motto we used to read

in our copy books when we were at school—"Honesty is the best policy". Another one is "I serve."

Mr. Coldwell: Is that illustrated by the story?

Mr. Pouliot: One must stand by one's own people provided that the member honestly believes they are right; and if they are wrong, which happens seldom, he must tell them so. This is the only condition for survival. Besides that one must not promise more than can be done.

I never expected that so many members of parliament would be so kind. I have done my best to be fair with all my colleagues without distinction, and if we disagree at times with regard to various policies we nevertheless have a common bond that ties us very strongly, namely, that though we may belong to this or that party we are in the first place members of the House of Commons and as such we are brothers. Not only that, I think that the members of the House of Commons form indeed an exclusive club. They also form a very representative cross-section of the country and a very good slice of mankind. Those who come here to attend our deliberations are in a position to have a fair opinion of the Canadian people at large.

I have been touched by the very kind remarks of all those who have spoken, by the remarks of the whip who has always been very kind to me. Often when I was not sure what to do I sought advice from him, and he has been most helpful to me, as have all my colleagues. I have also appreciated warmly the kind words of the Leader of the Opposition (Mr. Drew). We disagree but we remain friends. This is a thing that is essential in public life; otherwise life would be unbearable. I say the same thing of the leader of the C.C.F. group and the former leader of the Social Credit party. They have been very generous to me. I appreciate it. I do not know what are the future plans of my son. I do not think he will get into politics but I will surely send him a copy of *Hansard*.

It was very kind of my good neighbour, the hon. member for Peel (Mr. Graydon), who was formerly leader of the opposition, to associate the name of my wife with the work that I have done as a member of parliament. Our wives deserve even more sympathy than we who are in politics. Life is very hard for them, and I have been comforted by the kindness and the support of my wife. I am very thankful to her and I am thankful to my electors who have been most kind to me. They have been fair, they have been very generous and kind to me, and I cannot speak highly enough of them. I managed well with my neighbour. I managed well also with my former deskmate, the hon. member for Fort William, who is one of the kindest members of the house. The good he said of me I think of him and I cannot say any better. I thank all hon. members of the house for this tribute, which I appreciate very deeply.

NATIONAL DEFENCE

ADMINISTRATION AT PETAWAWA CAMP—INQUIRY AS TO REPORT

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): I wish to direct a question to the Minister of National Defence. Can he inform us when he will receive the report which we were assured was being prepared some time ago by Mr. Currie with respect to the administration of the Department of National Defence so far as it affects Petawawa camp?

Hon. Brooke Claxton (Minister of National Defence): I have not been in touch with Mr. Currie myself for some time but I am informed by the deputy minister that he has been in touch with members of Mr. Currie's staff, and that it is expected that the report will be available within the next week or two. It has not been made yet.

Mr. Drew: As a supplementary question, may I ask whether the government has received an interim report?

Mr. Claxton: No.

EXTERNAL AFFAIRS

INVESTIGATION OF PLANES OVER CANADIAN TERRITORY BY UNITED STATES AIRCRAFT

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to direct a question to the Acting Secretary of State for External Affairs, the Minister of National Defence. Under what authority do United States planes cross into Canada for the purpose of investigating planes flying over Canadian territory?

Hon. Brooke Claxton (Acting Secretary of State for External Affairs): As hon. members know, the defence of North America must be regarded as a single operation, and in consequence of recommendations of the permanent joint board an arrangement has been worked out related to the defence of North America against air attack. The important element in this arrangement is that air defence identification zones have been set up along both sides of the international border and along both coasts. Civil aeronautical regulations require that any aircraft operating in these zones should file flight plans.

Inquiries of the Ministry

Any unidentified aircraft flying in an air defence zone near the international border and apparently heading toward the border is liable to interception for purposes of identification by military aircraft of the country towards which the unidentified aircraft is believed to be headed. For this purpose United States air force aircraft may cross the border into Canada and R.C.A.F. aircraft may cross into the United States. Interceptor aircraft must obey the rules of interception procedure laid down by the country over which the interception is made. United States aircraft when flying over Canada are not permitted to order any aircraft to land.

With respect to the press report which gives rise to this matter, I think I should say that the *Globe and Mail* refers to three specific incidents. The information made available to me by officers of the R.C.A.F. and by the Department of Transport would indicate that one incident referred to as taking place recently and involving a Leavens Brothers aircraft actually took place in 1950 long before this arrangement was in effect. Another incident referred to concerned an Austin Airways plane. This, I am informed, related to an incident that occurred well on the United States side of the border. I am informed that no report regarding the interception of the Ed Thomas-piloted photographic plane has been received by either air force headquarters or the Department of Transport, but from their own information they believe it occurred in March or April of 1952.

CIVIL SERVICE

FIVE-DAY WEEK—WINNIPEG

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Justice (Mr. Garson) in his capacity as Acting Minister of Finance? Will Winnipeg be included with Montreal, Toronto and Vancouver as a city where the year round five-day week will be established for certain branches of the civil service according to the letter from the Minister of Finance which was tabled in this house on Friday?

Hon. Stuart S. Garson (Acting Minister of Finance): At the present time the treasury board does not contemplate the extension of the five-day week to government employees in Winnipeg. The advice received by the officers of the board's staff from the civil service commission is to the effect that the five-day week is not sufficiently predominant among private employers and employees in Winnipeg that it is necessary to extend it to the government staffs in that city.

[Mr. Claxton.]

Mr. Knowles: Will the situation in Winnipeg be reviewed in the light of additional information that may be received from that city?

Mr. Garson: I think the situation would be reviewed in the ordinary course of the government's handling of the matter at the present time.

KOREA

INTEGRATION OF SOUTH KOREAN FORCES WITH CANADIAN UNITS

On the orders of the day:

Mr. P. E. Wright (Melfort): Mr. Speaker, may I ask the Minister of National Defence (Mr. Claxton) a question? Recent reports would indicate that there is a new policy being followed with regard to the integration of South Korean troops with Canadian units. Could the minister indicate whether the reports are or are not correct?

Hon. Brooke Claxton (Minister of National Defence): It is the policy of the Canadian government to support any action which will enhance the military effectiveness of the South Koreans and to assist them to defend their own country. On a proposal emanating from commonwealth representatives with the United Nations command, discussions have taken place with other commonwealth countries concerned, with a view to reaching agreement on the integration of South Korean personnel into units of the first commonwealth division.

For some months past the United States divisions in Korea have integrated a number of South Koreans divided among their division units. The American practice has been to feed, clothe and lend arms to the South Koreans serving with United States units, while the South Korean government has been responsible for their pay. It is probable that the arrangements contemplated for the integration of South Koreans into the commonwealth division, if agreed to, will be on lines similar in effect to the United States formations.

PERCENTAGE OF SOUTH KOREAN FORCES ENGAGED

On the orders of the day:

Mr. Gordon Graydon (Peel): Is there any objection to giving the house information as to the percentage of Republic of Korea troops engaged in the United Nations activities there? What is the percentage of South Koreans as opposed to the others?

Hon. Brooke Claxton (Minister of National Defence): I have not got that information at this moment and I am sure that I could not give it without reference to the United Nations command in the Far East.

FOOT-AND-MOUTH DISEASE

STATEMENT BY UNITED STATES DEPARTMENT OF AGRICULTURE

On the orders of the day:

Right Hon. J. G. Gardiner (Minister of Agriculture): With permission of the house I should like to place on record a statement which was issued from Washington the other day and forwarded to us. It was issued on November 28 and reads as follows:

Acting Secretary of Agriculture Knox T. Hutchinson announced today that if present favourable conditions continue, Canada will be declared free of foot-and-mouth disease on March 1, 1953.

Consultations were held with the department's livestock industry advisory committee on foot and mouth disease in Denver this week regarding the re-opening of the Canadian border to livestock and livestock products. The committee recommended the March 1 date.

Action has been started on regulations which will permit the entry of Canadian cattle, sheep, other domestic ruminants, and swine, and fresh, chilled, or frozen beef, veal, mutton, lamb and pork. Restrictions applying to other animal products and hay also will be removed.

The United States border has been closed to such imports since February 25, 1952, when the Canadian government announced the appearance of foot-and-mouth disease in the province of Saskatchewan. Strong measures adopted by the Canadian officials, which included quarantines, inspection, slaughter of diseased and exposed herds, and disinfection of premises, confined the disease to a relatively small area of that province. In addition to the original infection near Regina, two subsequent appearances of the disease nearer the United States border were brought under control without spread to other premises. The last infection was found on April 28 and the infected animals were slaughtered three days later.

The same prohibitions and restrictions applying since February 25 will continue in effect until the new order becomes effective. This applies to susceptible game animals as well as domestic livestock.

This is the report as put out in Washington and we received it on Saturday last.

TELECOMMUNICATION

RATES BETWEEN NEWFOUNDLAND AND MAINLAND

On the orders of the day:

Mr. W. J. Browne (St. John's West): I should like to ask a question of the Minister of Transport (Mr. Chevrier). As the new long distance telephone rates between Newfoundland and the mainland come into effect today, I wonder whether the minister is in a position to answer a question I asked the other day. Are there special rates for calls put in after six o'clock and on Sundays, as is the case in the rest of Canada?

Hon. Lionel Chevrier (Minister of Transport): I am afraid that I shall have to take notice of the question and inquire what the situation is. The statement I made the other day covered the tariff for the usual calls. I am sorry that I have not the information available.

TRANSPORT SERVICES

TERMINAL FACILITIES AT PORT AUX BASQUES AND GANDER

On the orders of the day:

Mr. G. F. Higgins (St. John's East): I should like to ask the Minister of Transport (Mr. Chevrier) whether he has read the comment of the director of tourist development of New York relating to Canadian National Railways facilities at Port aux Basques and another article appearing in the *Citizen* on November 26 with respect to improved facilities at Gander airport, and whether he is prepared to comment on both.

Hon. Lionel Chevrier (Minister of Transport): I have not read the article in the *Citizen* although my parliamentary assistant has told me about it. I do not know that it is a proper thing to comment on articles of the press on orders of the day and I do not want to be disrespectful to my hon. friend, but my parliamentary assistant tells me that the article covers a long-range program for terminal facilities for airports across Canada. I should think the place to comment on that would be when the estimates of the Department of Transport are up for consideration. We have under review from time to time plans for Gander and other international airports for Canada and the items covering those expenditures will be placed in the estimates. They are subject to review by the treasury board and also the approval of the house and I do not think I would like to comment beyond that.

In so far as the other matter is concerned, conditions at Port aux Basques, which are said to be disgraceful: I visited Port aux Basques this summer and I did not find conditions too good, but I would remind my hon. friend and the house that there is a tremendous amount of construction going on there for new terminal facilities. I saw nothing there that I did not see in two or three other places, for instance on the north shore of the river St. Lawrence at Sept Iles where there was a great deal of construction work going on. The Canadian National Railways have been given the job of building the facilities. It is just to remedy the present position that they have been put in charge of the operations. I think that any disorder that is to be found there at the moment will be remedied when the new wharf and terminal facilities are completed.

[*Later:*]

Mr. George A. Drew (Leader of the Opposition): I hope the Minister of Transport will regard this as an appropriate comment on what he has just said. A question has been asked in regard to certain facilities in Newfoundland, related to different points, but I would suggest that the airport at Gander is in a special position. It is the front door to Canada to scores of thousands, and will be to hundreds of thousands within the coming year. I would think that this is something that might well be discussed without waiting for the estimates, and that the members of this house would wish to know, in fact would be entitled to know, if the government does contemplate, as has been suggested, that the airport facilities at Gander are to be improved in keeping with the tremendous movement of people which will take place through there in the coming year.

Mr. Chevrier: The question that was directed to me was a request for a comment on a newspaper article which I have not had the opportunity of reading. It is a very long one outlining long-term plans in connection with all the airports. I was telling the hon. gentleman that I did not think it was appropriate to discuss that on the orders of the day.

As my hon. friend says, of course, Gander is an airport of great importance, just as Vancouver and the other transcontinental airports are. It would strike me that if my hon. friend had a definite question to ask, perhaps I could deal with it. I was asked to comment on the whole series of plans, and I think perhaps it would be better if that could be done at another opportunity, such as my estimates.

Mr. Higgins: May I ask the minister, are there to be improved facilities made available immediately at Gander?

Mr. Chevrier: There are in the estimates now, I can tell my hon. friend, provisions for additional facilities. Those estimates, of course, will have to be approved by the treasury board. At this time I believe it would not be advisable to give any details as to what they are, but at the appropriate time I shall be glad to give them to the house.

TELEVISION

PROVISION OF ADDITIONAL SERVICE IN TORONTO AREA

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I direct a question to the Minister of National Revenue (Mr. McCann). In view of the unfortunate break-down of television broadcasting in an otherwise good telecast last Saturday of the Grey Cup game, are the minister and his government now prepared to consider licensing other stations in the area so that there will not be simply a monopoly enjoyed by the one C.B.C. station?

Hon. J. J. McCann (Minister of National Revenue): That is a matter which has not yet received attention.

PUBLIC BUILDINGS

ST. JOHN'S, NFLD.—PROPOSED FEDERAL BUILDING

On the orders of the day:

Mr. G. F. Higgins (St. John's East): I should like to direct a question to the Minister of Public Works. In view of the protests made by Sir Brian Dunfield, who is chairman of the town planning commission of St. John's, Newfoundland, and the endorsation of both daily newspapers of St. John's of the protest against the erection of the new federal building on the grounds of Government House at St. John's, is he prepared to give an undertaking that the building will not be erected in this place?

Hon. Alphonse Fournier (Minister of Public Works): This morning I had a most interesting talk with the hon. gentleman about this site. He told me he would ask whether I had read about the protests against the site of the new federal building. I may tell him that I have received protests against every and all sites we have considered up to date. The last protest would be the one from Sir Brian Dunfield, who says that if we put the building on that site we would be squashing the heart and lungs of St. John's. I am in very serious doubts, and when I am in doubt I generally do not act.

Mr. Graydon: Is that why you are holding back the election?

Mr. Fournier (Hull): I have not much to say about that. This newspaper clipping was sent over by the hon. gentleman, and it is entitled "Wants say in site". Actually I find that I am the only one who has no say in connection with the site.

CRIMINAL CODE

REFERENCE OF AMENDMENTS TO COMMITTEE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Minister of Justice whether the proposed revision of the Criminal Code, if it is introduced at this session, will be referred to a committee of the house so that interested persons or organizations may appear before that committee and

make representations with respect to any sections over which there may be concern?

Hon. Stuart S. Garson (Minister of Justice): The Criminal Code, Mr. Speaker, has already been introduced in the Senate. It has been given first and second readings and referred to the Senate committee on banking and commerce, by which committee it is now being considered. When that legislation comes to this house it will be referred to a committee of the house which will be assigned power to hear interested persons and organizations.

THE CABINET

DESIGNATION "OFFICERS OF THE CROWN"

On the orders of the day:

Hon. Stuart S. Garson (Minister of Justice): Before the orders of the day are called, Mr. Speaker, I should like to refer to a question which was asked last Thursday, November 27, by the hon. member for Vancouver-Burrard (Mr. MacDougall), in these terms:

> I should like to know what members of the cabinet are considered officers of the crown. If there are any members of the cabinet who are not in that category, who are those specific ministers of the crown who are not so considered?

I have drafted an answer to that question after speaking to the hon. member and finding out from him that what he had in mind was a recent decision by the president of the exchequer court to the effect that the Secretary of State is not an officer of the crown within the meaning of that expression in paragraph (c) of section 30 of the Exchequer Court Act, which gives the court jurisdiction in all cases in which a demand is made or relief sought against any officer of the crown for anything done or omitted to be done in the performance of his duties as such officer. I have no reason to suppose that the court would not hold similarly in the case of any other cabinet minister, that he is not an officer of the crown within the meaning of that expression in section 30 of the Exchequer Court Act. This decision should be regarded as the law of Canada so long as it stands unreversed by a higher court, but it applies of course only to paragraph (c) of section 30 of the Exchequer Court Act.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Friday, November 28, consideration of the motion of Mr. J. L. Deslieres 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. G. M. Ferrie (Mackenzie): When we adjourned the debate on Friday night, Mr. Speaker, I was talking about the price of cattle. Since I have looked over *Hansard*, I should like to say a few words concerning what the member for Winnipeg North Centre (Mr. Knowles) said on page 189 of *Hansard* for November 28. He made the statement that I had no right to come to the conclusion I did with regard to what that party did in 1944 on the family allowance vote.

Then, going over to page 199 of the same volume, he says that I won an election on this statement but I will not do it again. I should like to bring to the hon. gentleman's attention this point. If I won an election in 1949 on this particular point, there must have been a great many people in my constituency who thought the same as I did, and they still do.

I want to tell the hon. member that I did not win the election on that alone. The C.C.F. party, over the signature of the member for Rosetown-Biggar (Mr. Coldwell), issued a pamphlet entitled "Who owns Canada". This statement came to my notice, and I may say that in my constituency there is one of the best farmers organizations in Canada, the United Grain Growers. There are thousands and thousands of farmers in that organization, and the United Grain Growers has elevators scattered to the north, south, east and west of my constituency. In this pamphlet "Who owns Canada", you will see that there are one hundred organizations listed with a capital amounting to $9 billion. It is these organizations that the C.C.F. say they are going to take over. Some of these same gentlemen say that they stick up for the farmers, that they are doing everything for the people that it is possible for them to do, but that we as Liberals from western Canada do not do anything. I want to tell them that we go in to fight where there is some sense in fighting, not by standing up on the floor of the house and trying to bawl others out. We go to fight to get things for western Canada where we know that we will have some recognition and that someone will listen to us.

In this article, Mr. Speaker, you find that they say that they are going to take over the United Grain Growers, amounting to $28,-128,000. The men who started this company started it away back in 1908 or 1909, or maybe a little bit earlier than that. When they started that company, I know of one man who went to one of those meetings and who drove his horses 100 miles—

Mr. Coldwell: Mr. Speaker, may I ask the hon. member a question?

Mr. Ferrie: You sit down. There is no question at all. I have only a few minutes left. I did not interrupt you. You sit down.

Mr. Coldwell: All right; I will sit down. I just wished to ask the hon. member to read the section.

Mr. Ferrie: I have only a few minutes left in which to finish.

Mr. Coldwell: Such a statement is not there. That is why I wanted to ask the hon. member to read it.

Mr. Ferrie: These farmers put their money in. As I said before, one of these men drove a team of horses 100 miles, then he went the rest of the way to this meeting, which was about 15 miles, on foot. His horses were played out and he walked the rest of the 15 miles. He was a shareholder from our part of the country in the United Grain Growers. He walked to this meeting in order to add his voice in helping that elevator system along. We now come along to this point, Mr. Speaker, that these gentlemen put out this pamphlet and say that they are going to take over this farmers' organization, and that they would take it right in with this same body of people. The only one that they have left out is the pool. They left our pool out because they dare not put that in.

I want to say, Mr. Speaker, that it is time the people of western Canada woke up and realized just exactly what is happening. We are trying to fight for them down here in Ottawa, in an effort to get something for western Canada; but all we get from our opposition in western Canada is abuse. I want to say that I have sat here and taken it long enough—we have got lots more like this—and we will not take it any more.

Mr. Speaker: Order. The hon. member's time has expired.

Mr. Ferrie: Mr. Speaker, I had fifteen minutes. I started at 25 minutes to the hour and I went on until 3 minutes to the hour, and now I have fifteen minutes.

Mr. Coldwell: The Speaker decides.

Mr. Speaker: It is unfortunate that there is a misunderstanding. My information was that the hon. member had just a few minutes left. I do not want to deprive him of his time, if he has any left. Probably we should give the hon. member the benefit of the doubt.

Some hon. Members: Agreed.

Mr. Coldwell: Mr. Speaker, surely a record is kept. If the hon. member has not exhausted his time, and the record shows it, there is no objection to his continuing. The hon. gentleman would allow no question to be asked, and I do not see why he should have any extra time, under those circumstances. Ordinarily, I would be prepared to agree but I am not prepared to agree now.

Mr. Speaker: The clerks at the table who keep the time inform me that the hon. member has exhausted his time. Unless there is unanimous consent, I cannot allow him to continue.

Mr. Coldwell: No.

Mr. Speaker: I am sorry there has been a misunderstanding, but I am bound by the information I receive from the clerks at the table.

Mr. Ferrie: Excuse me, Mr. Speaker; I will accept your ruling but it certainly is not right. I started at 25 minutes to the hour and I did not—

Mr. Noseworthy: The only man right in this house!

Mr. Speaker: The record shows that the hon. member for Mackenzie (Mr. Ferrie) started to speak at 5.21 on Friday and that the debate was adjourned at 5.59 p.m. I am informed by the Clerk that that amounts to 38 minutes, which would have left him two minutes today. I have allowed him at least five minutes. I cannot go beyond that without the unanimous consent of the house.

Mr. Ferrie: Mr. Speaker, under a C.C.F. protest I will relinquish my time.

Mr. Coldwell: Rubbish.

Mr. Knowles: That is a comment on Your Honour.

Mr. Coldwell: That is a comment on the Speaker and not on anyone in the house. The hon. gentleman would not allow a courtesy question, and consequently he cannot expect to receive favours from those to whom he will not grant favours.

Mr. Ferrie: I am not looking for favours.

Mr. Speaker: I do not think that what the hon. member for Mackenzie said is a reflection upon the Speaker. I think he is of the opinion that there is a mistake in the facts; but, as I say, I am bound by the information which I receive from the table.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, when the Minister of National Defence (Mr. Claxton) rose to take part in this debate on Thursday of last week, he prefaced his remarks by saying, as reported at page 134 of *Hansard*:

> Today I propose to deal with boots, forks and rugs.

I could not help thinking that perhaps he was going to quote from "Alice in Wonderland":

> Of shoes—and ships—and sealing wax—
> Of cabbages—and kings—

Then somebody mentioned neckties—hundreds of thousands of them. In fact, there were so many neckties that if they were placed end to end they would stretch from the minister's office to the firehall in Winnipeg—a thousand miles of neckties.

The minister then went on to explain why it was necessary that large quantities of stores of clothing and equipment should be purchased.

Stores of clothing and equipment were required for mobilization purposes. Everybody, of course, knows that large quantities of stores are required for mobilization purposes, and it is the duty of the government to provide those stores. But it is also the duty of the government to buy those stores in the most economical way possible. In order to attempt to prove his case the minister placed a great many figures on the record. But one set of figures which he did not give were those which would indicate what articles have been sold at bargain prices in the last few years through such organizations as War Assets Corporation. From the return which was made to this house in the early part of 1949, we know that the government had received no less a sum than $454 million for goods that it had sold at bargain prices. Or course in those days the word "stockpiling" did not enter into the minister's vocabulary.

Today I am not going to pursue that subject any further. I want to speak about another matter which affects the reputation of an officer and this country's standing in the sphere of international affairs and co-operation, in that it is in respect of the question of national defence. When the public is aroused by some particular incident and the government of the day gives only vague replies, a certain responsibility rests upon Her Majesty's opposition. When the public conscience feels uneasy over the treatment of one of its public servants, then it is again the duty of the opposition to ask for further clarification on that point. I intend this afternoon to ask for further clarification in the case of a brilliant young officer whose career was cut short suddenly in the middle of last summer. I refer to Brigadier A. B. Connelly, who was recalled from Korea and was retired at the age of 44.

Suspicion has been aroused because the government endeavoured to hide the fact that he was being recalled, and that he had been retired. It was only because of a news release in a foreign newspaper, the Chicago *Tribune*, that the facts—or at least some of the facts—regarding this case leaked out. The only definite information given by the Department of National Defence is in a release made by Mr. W. H. Dumsday, director of national defence public relations. He gave, I presume on instructions, the following release:

> Brigadier Connelly is on retirement leave which will extend over a period of some months. The department does not normally give reason for retirements, except that senior officers are retired when there is no further suitable employment for them. With regard to the report that he was retired for his failure to immediately notify the Canadian government of the intention to use Canadian troops on Koje island, the department has no comment.

As appears in a dispatch in the Regina *Leader-Post* of October 7, 1952, the Secretary of State for External Affairs (Mr. Pearson) said that he could neither confirm nor deny the report that the Koje incident was involved in the retirement. Then the release states, in inverted commas, "I know nothing about it," he said. That is, the Secretary of State for External Affairs said that he knew nothing about it.

However, the Minister of National Defence (Mr. Claxton) of course does know all about this case, and he has made no statement over his own signature. There have been press comments and statements. The Victoria *Daily Colonist* refers to—

> —a report from Ottawa published in a great many papers over the signature of Gerald Waring in which he says that the army has not even admitted officially that Connelly was sacked because he failed to advise the government last May that a company of Canadian soldiers was being sent to riot-torn Koje island to help guard prisoners of war.

Then it goes on to say:

> However, high-ranking officers say that it was the "immediate cause" of Connelly's retirement.

I do suggest that by this silence and these rather cowardly insinuations the reputation of this officer may have been damaged, and his opportunity of finding employment, now that he has been forced to retire from the army, is handicapped. It is for these reasons I feel that the public of Canada and the members of the House of Commons are entitled to a full and clear statement.

It should be noted that Brigadier Connelly did not retire. He was retired, and retired eleven years prior to the time when, under normal circumstances, he would have reached the age limit for retirement. It is also to be noted that there have been other promotions made from lieutenant-colonel or colonel to the rank of brigadier, since the time of Brigadier Connelly's forced retirement.

So the public are asking why this has been done. Can they be assured—and they want to be assured—that their public servants, particularly those on active service overseas, are treated with absolute fairness? They are asking why this promising career has suddenly been cut off, after this officer had been educated at great public expense. He attended the Royal Military College at Kingston, an educational establishment maintained very largely by public funds. After having done exceptionally well in his four-year course at Royal Military College, he was given further education at public expense by being sent to McGill university. In 1931 he joined the permanent force and, in the course of his years of service, attended various other schools of instruction.

When war broke out in 1939 he went overseas and soon rose to the rank of senior engineer officer in the first Canadian division. He was then transferred to the position of senior engineer officer in the fourth armoured division and, shortly after that, promoted to the position of chief engineer of the first Canadian corps.

Then he was selected to command all the engineer reinforcements of all the Canadian forces in the United Kingdom. Then he became deputy chief of staff in London, and as such was responsible for the return of the Canadian troops remaining in the United Kingdom after the cessation of hostilities. In all I believe he spent some seven years out of this country on active service in Europe.

When he came back he was first of all made deputy adjutant general and then, because of his engineering experience, in 1948 he was selected to be the commander of the northwest highway system. As all hon. members know, the northwest highway system administers the Alaska highway which runs from northern British Columbia into the Yukon. Many glowing reports have been made to the house, particularly by the hon. member for Yukon-Mackenzie River (Mr. Simmons) and Cariboo (Mr. Murray), as well as by the ministers concerned, as to the importance of that great highway both from the point of view of national defence and from that of the economic life of the country.

I know that during Brigadier Connelly's tenure of command in the northwest highway system he was personally visited by members of this government. I never heard any complaint as to the work being done on that highway system; in fact, the contrary has been the case. In an address delivered in the house by the hon. member for Yukon-Mackenzie River these words are used, as they are reported at page 1366 of *Hansard* for November 1, 1949:

> The Canadian portion of the Alaska highway from Dawson Creek, British Columbia, to the Alaska-Yukon border, a distance of 1,223 miles, is maintained by the northwest highway system of the Canadian army and I wish, at this time, to commend them for the excellent job they are doing under the command of Brigadier Connelly, in keeping this highway open.

General A. G. L. McNaughton writes and says that he is personally familiar with Brigadier Connelly's work in connection with this section of the northwest highway system and says:

> I consider that Brigadier Connelly is well qualified to assist in the organization and administration of important construction projects.

After two and a half years' service in the far north Brigadier Connelly was appointed commander of the Saskatchewan area where he remained until he was moved to a position of greater importance, namely, to be acting general officer commanding, prairie command. After the war broke out in Korea and the United Nations had established supreme headquarters in Tokyo, Brigadier Connelly was selected to be the liaison officer or military adviser from Canada to the United Nations supreme command.

I think hon. members will recognize at once that his has been a remarkable career, one which reflects great credit not only upon the officer concerned but upon the whole Canadian army. The public moneys which have been spent on his education would have been justified had he been permitted to complete his normal term of service.

The public want to know why he was retired on pension eleven years before the time at which he might ordinarily be expected to retire. He is still in good health, being a young man of only forty-four years of age; yet he is retired on a pension of more than $4,000 per year. Over the next eleven years that will amount to close to $50,000 of public money.

Mr. Claxton: It is $11,000, I am sorry.

Mr. Pearkes: I think it is nearer to $50,000 than to $11,000.

Mr. Claxton: The present value of the cost of his retirement today instead of in eleven years is $11,000.

Mr. Pearkes: He is being retired on a pension of $4,400 a year and he still had eleven years to go. That would come close to $50,000 for that period. For the next eleven years we will get no value from his services. That is

why there is widespread feeling that Brigadier Connelly has been made the scapegoat for the Koje incident.

Let us examine Brigadier Connelly's position. He was liaison officer to the United Nations supreme headquarters situated at Tokyo where for the last year General Mark Clark has been in supreme command. The liaison officers serve under the assistant chief of staff of the eighth army who is particularly detailed to look after intelligence. General R. F. Ennis was the officer in charge of the United Nations Far Eastern command at that time so far as intelligence was concerned.

The duty of the liaison officer was to keep the government of Canada informed from such information as he could obtain with regard to contemplated operations and the progress of such operations. I presume he would write to the commanders in the field and would send in written reports or if necessary communicate with Canada by cable. I would emphasize that the liaison officer is not a commander.

I understand that this matter of sending troops to Koje was discussed with Brigadier Connelly and the commonwealth liaison officers in Tokyo and that before giving a definite answer, although it was hardly his place to do so, Brigadier Connelly suggested that the matter be referred to the commander of the 25th brigade, the officer designated as the senior Canadian officer in the Far East. The inference can be drawn from the press reports that this move was made while the matter was still in the consultative stage. Another inference which may be drawn is that Brigadier Connelly did report in his regular weekly reports to Ottawa that the matter of sending Canadian troops to share in guard duties at the prisoner of war camp on Koje island had been discussed with him and he had referred the matter to the commander of the troops.

Subsequently orders were issued through the regular channel of command passing down from the eighth army, from the commonwealth division to the commander of the Canadian brigade, that a company of troops would be required in order to give a more United Nations aspect to the guarding of the prisoners of war in that camp. It is fairly obvious that the troops did not consider this incident to be unusual. Canadian troops were under the command of the commonwealth division which in turn was under the command of the eighth army. Other detachments had been made along the lines of communication and certain Canadian troops were retained in Japan.

When the commander received the order he notified Ottawa in the ordinary course of events that he was sending one company of one of his battalions to assist in this guard duty. This house was informed on May 26 by the Secretary of State for External Affairs (Mr. Pearson) of this fact, and I quote from page 2552 of *Hansard* of that day as follows:

> On the afternoon of Thursday, May 22, the chief of the general staff received a telegram from the officer commanding 25th Canadian infantry brigade, Korea, to the effect that he had received an order from the first (commonwealth) division issued in accordance with a request from the United Nations command to post a company from the brigade to guard duty at the prisoner-of-war camp on Koje island, and that he was accordingly assigning a company from the Royal Canadian Regiment for this duty.

All of this had been in accordance with the plan for Canadian co-operation in the United Nations effort. We were part of the one effort striving for a common end. General Clark certainly had it within his authority to call upon any commonwealth troops to carry out any special duty within the area of the command that he considered was a reasonable task to assign to them. He was anxious to give a more United Nations aspect to this guarding of the prisoners of war. They were prisoners of war who had been captured by United States and commonwealth troops. In fact many of them had actually been captured by the Canadian forces. The continuation of the statement made by the Secretary of State for External Affairs reads as follows:

> The Canadian government therefore views with concern the dispatch of a company of the 25th infantry brigade to Koje island without prior consultation with the Canadian government . . .

Apparently the government seemed to go off rather half-cocked at that time because they issued this protest to Washington without taking time to discover whether the matter of sending a company to the Koje prisoner-of-war camp had been discussed with the commanders in the field or with the liaison officer. Faces were rather red when Washington came back and said that this matter had been discussed, that they had discussed it in Tokyo, and that the commander of the 25th brigade had been informed and had raised no objection.

It would appear that the government was embarrassed by this incident and they did not hesitate to let it be known that they had been embarrassed. So a whipping boy had to be found. Of course the darling of the government could not be chastised. Somebody had to take the beating for him. It may have been an error in judgment on the part of Brigadier Connelly when he did not send back by wire the fact that the matter

of sending a company of Canadian troops to Koje island was being considered and merely reported it in a written statement, but it would hardly seem that one such error in judgment would be full and sufficient justification for cutting short the career of an officer who had already rendered such distinguished service and from whom the people of Canada might well expect to have additional valuable service rendered.

The opinion held by the United Nations officers under whom Brigadier Connelly was serving in Tokyo is of the very highest. I have a copy of a letter signed by General Mark W. Clark, the general in supreme command there. It is dated August 25, 1952, is addressed to Brigadier Connelly, and reads as follows:

> Upon your departure from this command I wish to express to you my appreciation for the outstanding service you have rendered to the United Nations cause during the past ten months. Your unfailing courtesy, co-operative attitude and efficient handling of the tasks pertaining to your assignment have been of material assistance to this headquarters.

Then Brigadier Connelly's immediate superior, Major General Ennis, took the trouble to write directly to the Minister of National Defence expressing his deepest regret at hearing of Brigadier Connelly's pending departure.

Mr. Claxton: May I ask the hon. member where he obtained this letter? Was it from General Ennis or myself?

Mr. Pearkes: You did not send it to me, sir.

Mr. Claxton: I was not asked for it.

Mr. Pearkes: In this letter, dated August 6, 1952, General Ennis says:

> Never have I had the opportunity of working with a representative of an allied country that has given me more satisfaction and pleasure. Brigadier Connelly's impeccable honesty, diplomacy, sincerity, courtesy, humility and devotion to his country have won for Canada and for himself the highest respect from all United Nations representatives in this command.

He goes on to say:

> We, your neighbours to the south, feel a great sense of pride and assurance in the future when we have the privilege of associating with such outstanding soldiers of the Canadian army.

He concludes by saying:

> Those of us who have been closely associated with Brigadier Connelly during this past year wish him continued success in what will unquestionably be an outstanding military career.

That outstanding military career has suddenly been cut short. I repeat that in my opinion Brigadier Connelly has been used to cover up government embarrassment. He has been retired from the service without justification, his character besmirched by innuendoes. I think this is a particularly vicious example of the government policy of concentrating control in Ottawa. To my knowledge it has already had a bad effect upon the morale of the troops. Commanders feel that their initiative is restricted, that they must refer every little detail to Ottawa thousands of miles away. Surely the question must be answered: Are we in or are we out of the United Nations Organization?

I cannot help thinking that, if the government had been honest with itself, then instead of retiring Brigadier Connelly the real blunderer would have been promoted to the other place. All I am asking is that the government make amends for the wrong it has done to this promising officer. Let right be done now. Let further employment be found for him so that the people of Canada may still have the benefit of the money they have spent on his education and the experience he has gained in the service of his country.

I want to touch briefly upon one other matter having to do with the question of national defence. Last August a new instruction was issued entitled "Regular Officer Training Plan". It laid down the means by which assistance would be given to selected students to obtain academic standards suitable for a career in the regular army. The instruction reads in part as follows:

> This entails a guarantee of a minimum of two years university training beyond senior matriculation or equivalent to selected students who are enrolled as members of the active force and who remain in good standing from both academic and military viewpoints.

It goes on to say:

> In addition to a special scale of pay, the assistance to students will consist of payment of tuition and all essential fees, books and instruments, required during the periods spent at academic training.

It explains that this training may be carried out at such military training establishments as the interservice colleges, R.M.C., Royal Roads and the college at St. Johns, Quebec. It lays down the scale of pay that they will receive while taking such training. During the first year they will receive $30 a month and the second year while they are serving in camps $170 a month. The point I want to make is referred to particularly in the next paragraph, which deals with the Defence Services Pension Act, and there it is stated that, as members of the forces, all officer cadets are eligible for the benefits prescribed in the act. Service from the date of enrolment, including time spent at university and at summer training, is pensionable service.

I have no quarrel with the conditions as laid down. I recognize that every effort is being made to obtain officers for the services and to give them a thorough education; but an anomaly does exist in that there will be officers still in the active army who passed through those colleges last year and in years previous who will not be able to count their service at service colleges towards pension. The young man taking advantage of this scheme, as promulgated on the tenth of August of this year, will have a very decided advantage over his fellow officers who are serving in the same units at the present time. Therefore, I would ask the minister if an amendment could not be introduced into the necessary acts in order to allow service at the interservice colleges to be deemed to be service in the forces—so that members who are now in the active force may have the same advantage as these new officers who are going in. Officers who are now serving in the active army will then also be allowed to count as pensionable service periods they spent at Royal Military College and elsewhere.

I think it is a reasonable request. In many respects service at the colleges is regarded as military service. The cadets are subject to military discipline, Queen's regulations, and so forth. They swear allegiance to the crown and if they receive injury through accident while they are at the college they receive a pension in much the same way as any soldier who suffers injury through accident. I think it would be only fair to those officers who have passed through these colleges and who, in many respects, do not get the same advantages as will be given the younger men who will be going through from now on. Those serving in the active army today should be granted the right to count their service at the colleges as pensionable service in exactly the same way as those who are now and who will be in the future passing through the colleges.

Mr. G. M. Murray (Cariboo): By coincidence I follow a distinguished and gallant army officer. I am a good friend of his and also of the gentleman referred to as being formerly in charge of the Alaska highway and northwest service command. Therefore I am very hesitant as a layman to make any comments further than to say that in these days all sorts of things are being said about army officers. Over the week end I had the opportunity of reading a book, the work of a distinguished Canadian author, which purported to be a biographical sketch of a former prime minister of this country. I see the statement made in that book that at a certain time certain army officers were in revolt against the crown, against the government and against the prime minister, and that there was a mutiny in the Canadian army. That is stated in so many words.

I was shocked and surprised to find that such a statement should have been made and that no one has risen to contradict it. I must refer to the book here, and I am probably doing good work for the publisher in referring to "The Incredible Canadian", which goes on and refers to all kinds of people here and pays "compliments" to the late Right Hon. W. L. Mackenzie King. It is surprising to those of us who were his humble followers over the period of his public life to read such things. Statements in the Chicago *Tribune* and books of this kind should be carefully studied before they are accepted as truth.

Mr. King is referred to on one page of this book as the "lord high executioner" in relation to the position with regard to Colonel Ralston at a very important period during the war. The inference is that Colonel Ralston was ruthlessly slaughtered and set aside by that cruel and relentless man, Mackenzie King. I am not willing to accept that statement simply because I see it in print here. In another place in the book Mr. King is referred to as a grasping, mean little man; at another, as Mr. Uriah Heep, the most despicable character in all the works of Dickens. You will remember that Mr. Heep was "an 'umble man"—"always at your service, sir". At another point Mr. King is referred to as an old spinster and at another point he is referred to as man with a mailed fist sending people to slaughter; a liar. Well, that is a word that is seldom heard in parliament although it is often heard out on the hustings. He is referred to as a conniver, a schemer, a ruthless—I would almost say "monster" from reading the book—a lover of luxury, a gourmet, and a spiritualist.

It would be unfortunate in the affairs of this parliament if anything like that were to be allowed to go unanswered—although who am I to answer it? A student of Liberalism for many years as I have been, and a follower of Mr. King throughout, and a close observer too—I admit I am thirty years too late getting into the House of Commons but that is another story—I regard him as having been a great humanitarian, a stout champion of the poor, and while he was branded as a pacifist by some of his enemies, of course, I will say he was a Christian gentleman. He was a diplomat and he may have been a negotiator, but he was a very unselfish, very modest man, simple in his habits, a man who lived in a very modest way. Anyone who goes

out to Kingsmere and looks over the little cottage in which he died will see that. They will see the rugged stony acres where he had his walks. About the only enjoyment the man must have had was taking walks over the hills back of Kingsmere and watching the sunset. It is regrettable that such things are said of this outstanding man, outstanding in the affairs of this country, of the United Nations and of the world.

This afternoon when we were paying tribute to the hon. member for Temiscouata (Mr. Pouliot) I wondered whether he was dead, from the fine things that were being said in the house. I want to tell some of these leaders over here that it is another grim feature of death when, three years after a prime minister of this country is placed in his coffin, circulation is given to literature which tends to belittle him in the eyes of the public. It is a very sad commentary upon our country. I hope that the time is not far distant when certain volumes will be published which are based upon the facts as contained in *Hansard* or other official records concerning that man's life, so that that will be the story that will go into the libraries of the land and not a book, as I say, that is calculated to break down and destroy the reputation of a great leader of this country.

Mr. MacDougall: By his works he shall be known.

Mr. Murray (Cariboo): The hon. member for Vancouver-Burrard says that by their works ye shall know them. I think a further applicable reference would be that you do not gather figs from thistles. The great contributions of this statesman to our country are evidence of the man he was, and the position he will undoubtedly hold in history.

Turning to military matters, I had in mind making some reference to the Alaska highway, which is part of the northwest highway system. Anything that the hon. member for Nanaimo (Mr. Pearkes) said about the officer responsible for the management of the Alaska highway was, I am sure, well said. The same could be said about Brigadier Geoffrey Walsh, who preceded him. These men, and the Canadian army, have done an excellent job in maintaining that highway. I hope that we shall follow the example of the United States with respect to the Alaska highway, and see that a hard surface is laid as soon as it is convenient to lay one. Hundreds of miles within the territory of Alaska have been paved, and I think it should be our policy to start at mile zero, lay down fifty miles of pavement, and continue that paving program throughout the length of the highway.

This highway was one of those war services which have been of tremendous value in the industrial and peacetime life of the country. We have heard of the oil development up in the Peace river territory in British Columbia, as well as the development of the vast natural gas resources. Access to these drilling sites has been made possible by the Alaska highway and that very costly bridge over the Peace river. In fact, I do not know how much of the oil and natural gas development is due to the discoveries made by the men who built the highway. The first gas well was discovered by a firm of road builders who drilled a well for water at their camp and were surprised when natural gas gushed forth. For a long time there was a huge torch burning in front of that camp, just as if nature were crying out and trying to advertise the natural resources that were there.

When test drilling was undertaken for the bridge, they contacted a certain series of rocks containing fossils which gave geologists information in drilling for oil. The first oil well was drilled a few miles from this bridge. It was an achievement which, costly as it was, is now opening up the country to agriculture, mining and the peacetime development of the country.

There is a recent development to which I should like to refer, and that is the loss of so many aircraft between the United States boundary and the territory of Alaska. This leads me to say that there is a genuine need for a railway running north from Prince George in the direction of Alaska. The position now is that the United States is endeavouring to establish an airlift from Montana and the army camps to the south of the international border to the territory of Alaska. Such an airlift would cover a distance of between 1,500 and 2,500 miles, and in bad weather it is questionable whether such an airlift could be maintained. It is well to experiment with it. It is well to try to discover whether certain things could be done.

The loss the other day of an aircraft with fifty-two persons aboard, after flying across British Columbia, was a very regrettable thing. Some days before an aircraft with thirty-nine persons aboard went down, and a great number of lives have been lost on what I think is the foolhardy policy of the United States government in attempting to sustain an airlift from the United States to the Alaska border. I believe that General Eisenhower will probably have something to say about this matter, because there are few men who are better acquainted with that territory than that distinguished army officer.

On repeated occasions he visited the highway as well as the airports, and undoubtedly if we are to have security in the northwest the present airfields and highway will have to be supplemented by a modern railway running from Prince George. Such a railway, like so many of the things that have been carried out by the Minister of Trade and Commerce (Mr. Howe) as a wartime measure, would turn out to be a great peacetime achievement, because it would open up the extensive valleys to great mining industries. You already have the oil along that route.

In the interval since we were here before I made a journey from Prince George in my riding a distance of 360 miles over the Parsnip and Finlay rivers to Fort Grahame and Fort Ware. This journey was made by boat, and I wish to say to you that we passed through magnificent country in which the agricultural possibilities are as good as they must have been in the Ottawa valley in the very early days of the settlement. In the whole 360 miles, we met about six white people and probably twenty Indians. Now, that is the Great Trench, as it is called by engineers. It runs due north and south from Prince George to Whitehorse. In that valley the United States army made a survey for a railway, and I believe such a railway should at some time be built through Sifton pass and north to Whitehorse and Alaska. Then, an armoured train carrying troops or civilian personnel could roll right from Puget sound through Vancouver to Prince George, Whitehorse and on to Alaska. I do not know why there has been a cooling off towards the idea of building that railway, but I am sure that in due course it must be built if we are to make this place secure and give the maximum amount of protection north of Edmonton.

I do not want to understate the fine defensive organization which is up there now. The airports are being well maintained and communication systems are being established. They are most modern in character. I have it on the authority of some very qualified army men that if an army of 150,000 men were to be placed in Alaska for the defence of that part of the continent, they could not be supplied by a highway or by airway and a railway would be an absolute necessity in order to provide supplies, munitions, guns and so forth for the service of such an army.

The riding which I have the duty to represent was given a high honour, during the early fall, when the Prime Minister (Mr. St. Laurent) himself came through and paid us a visit. He travelled by air and came into Prince George from Prince Rupert. While he was there for only three hours or a little bit more, he endeared himself to a great many people. We had a fine audience out to greet him. There were probably 5,000 people there. Some wise strategists said that there should not be any political speeches, so that restriction cut me out of the program fairly well. All I could do was to go with the chairman of the board of trade and his worship the mayor, to see that the Prime Minister was given a good luncheon and that he was enabled to meet the people.

At the great public ground there the little children gathered around with their parents; there were many thousands of them. It was a perfect day. The Prime Minister proceeded to make his address. He said that he was not going to make any political references because it was sort of understood that this was more or less a personal visit. He went on and talked about Canada, our need of being good Canadians, and so on. Many of his listeners were children, of course. He said, "You know, down at Ottawa we try to conduct the government of the country in such a way as to safeguard your interests and to pass along to you young children who are here a better country than that which we received when we came into power". Just then, a dog came up in front of the platform, barked three or four times and then began to growl. The Prime Minister paused and then he said, "Don't you growl, because if our kind of good government is carried on, the bone which you get will have a lot more meat on it than was usual before we came into power." That is just a little human interest incident that shows the wit of the man and the gift which he has in greeting people of all ages and all conditions and moving among them.

After his speech he went out among the audience. I suppose he met probably 500 of those children in the concourse before him. How he does it, I do not know, but he has a smile for this one, shakes hands with that one and moves among the people. There is no necessity for any police to be around for his protection. We got him back on his plane in good time. He remarked upon the magnitude of the country over which he had flown from Prince Rupert, over that Alcan dam and up along towards Grande Prairie and Edmonton, a vast country where there is limited settlement. If I have any criticism at all to offer of the government benches it is that during the interval we have been here we have not paid enough attention to putting settlers—and by that I mean people who are fit to take over land—on that land or in that part of the country.

I know there are headaches and all that sort of thing in getting newcomers in here

from Europe, from the United States and elsewhere; but we should have embarked upon a plan of settlement. I hope that in the next parliament that will be done. There are vast areas in there awaiting settlement. The resources are already well proved. In the Peace river block in British Columbia alone we will turn out, I suppose, eight million bushels of grain this year. You will remember that 20 years ago Sir Henry Thornton said that if we got ten million bushels in the entire Peace river country he would build us a railway. I hesitate to ask Mr. Donald Gordon to build a railway in there, but if there are that eight million bushels in the Peace river block, I will bet that there are 58 million in the entire Peace river country which would be served by a railway from there down to the Pacific coast. The present back-haul to Edmonton is expensive. It is retarding development.

As I say, we need settlers there. I think that we should draw the line at bringing any more foreigners into Canada and putting them in the cities. They have come and have brought along with them their skills, their knowledge of the various trades and so on, and some of them have been extremely valuable acquisitions. But if we want to do them and ourselves a service, we should fill up some of these vacant valleys that I have mentioned up in my riding and in those other ridings on the northern frontier of this country. We should have more people from the province of Quebec up in there, because the farmers from Quebec—who are trained and are familiar with the handling of livestock, grain and so on, who know how to use a broad-axe and can file a saw—could go in there with little capital and, with the roads that are now built and the facilities that are now there, could establish new communities.

I repeat what I have said before, namely that I think such settlement would support the military effort. I am not one of those who are greatly enthused over the Korean situation. We are there and we have got to stay there; we have a job to do. It is a vast problem out there on the Pacific. Unless miracles are performed, we are going to be in there for a good many years to come. What is more sane, then, than to settle these valleys in the northwest, in those regions which are close to the Pacific? Get a population in there and allow them to prosper under a good sane government, have a few federal buildings built now and again when the hon. member for Cariboo asks for them, give them the other facilities which are necessary for carrying on the affairs of the country, and we will make a great contribution to Canada and to our allies.

[Mr. Murray (Cariboo).]

I am aware of the fact that this is probably the last session of this parliament. I find that the time has passed rapidly. It is later than we think. I do not know what the Prime Minister (Mr. St. Laurent) and his associate will bring back from the commonwealth conference in England, but a good many of our people up in the northwest would like to see an early election. They point to the fact that the coronation is to take place in June. The government has outlined its program fairly well. Its policies are fairly well understood. The advice that I receive from my friends there is not to be overholding tenants but to urge the ministers to go to the country as early as possible so as to get another mandate to carry on good government in Canada. Some of them also said that in 1897, when Queen Victoria enjoyed her great jubilee, Canada sent over to England a distinguished prime minister to take part in those festivities, in the person of the then Mr. Wilfrid Laurier. With all the other leaders from the colonies or from the empire, he was there in attendance at those festivities. The record from that time up till now is of Canada steadily progressing as a member of the British commonwealth and as a great and prosperous land. My friends are saying that we should have an election and, if possible, send Mr. St. Laurent over to London so that he could follow in the footsteps of Laurier and represent this country at the crowning of the young sovereign. That would be my message. I hope that, before the summer is over, the election will be held and that the opinion of Canada will be taken on those great issues which have been so properly put before parliament since 1949.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I wish to speak in support of the C.C.F. amendment to the address in reply to the speech from the throne and to speak more particularly upon the health insurance plan which the members of my party have put forward at this time, especially one phase of it. The care of the sick and the helpless is surely something with which we should be concerned. Indeed, I suppose it is the yardstick by which one can measure to what extent we are humanitarians or, perhaps, practical Christians. The survival of the fittest may be a perfectly good animal law, but we think that the care of the ill should surely be a human obligation.

Then, too, the benefits of healing must not be the sole prerogative of the privileged, as at least to some extent it is today. There are those who by reason of age, by reason of accident, by reason of a weak constitution or

by reason of the vicissitudes of illness must be cared for, and we cannot pass by on the other side.

In this connection I should like to divide the public into several classes. First we have the medical men, the scientists, the technologists, the nurses, those people whose services are at the disposal of the ill. At present, under our way of doing things, there are too few of these; and the fact that they are scarce in number adds at least in some cases to the price of their services, a price which many people find to be at a level they cannot afford.

Then among the general public there are those who, by their extra ability, by reason of good health or just through plain luck are able to obtain and to pay for, without limit, such medical services as they need. Those are the fortunate few. But we come then to the great middle group, a group for whom the fear of illness is always like an overhanging shadow, the group who know that a serious operation or a protracted stay in a hospital means for them and their families not only illness and pain but also economic ruin.

As I said, the great masses of the people fall into that category. What they want, what they would like to have now, is some insurance against such unfortunate contingencies. When I first came in contact with this sort of thing I was homesteading in northern Saskatchewan among a group of people who had gone up into that rough country to try to hew out a life for themselves. They went there with an axe, a grub hoe and, if they were fortunate enough, a team of oxen and a walking plow.

I saw there what it means to have no medical attendance, to live 42 miles from a railway. I recall having sold the municipality three-quarters of an acre on the side of a coulee as an addition to the graveyard. I can remember on cold winter nights when there would be a knock on my door. My neighbour would be there, and we would go out to the graveyard with a stable lantern and dig another grave on the side of that little hill, perhaps to bury the mother of a family. Perhaps that family had decided to take a chance, because they knew if they went for a doctor and brought him that considerable distance, and learned that it was a case for hospitalization, they would be crippled in their attempt to get on their economic feet, if I may so describe it, and would be set back for years and years. So they took the chance, and as a result they buried another Canadian mother, and perhaps an unborn child. We were very anxious about immigration in those days; we encouraged it. But we buried a great many Canadian babies and their dead mothers, when we should not have had to do it.

The third group I have in mind are the poor, the indigent, the maimed, the halt and the blind, those who are unable to take care of themselves, the victims of untoward circumstances, the victims of their own disabilities, or, if you like, sometimes of their own inabilities. They, too, are human beings; and no nation which vaunts its Christian philosophy can afford to neglect them, particularly in a Canada so blessed in its natural resources and its wealth. We cannot pass them by on the other side.

In the old days there was the charity ward, the infirmary, the poorhouse. I believe the people of this land are individually entitled to health services, in so far as they and their neighbours, speaking nationally, can afford to provide them. I believe my interest in education has been well established in the house; but let me say that while I consider education important, I consider of even greater importance the health of the people. I believe each Canadian is as much entitled to health, in so far as it can be provided, as each Canadian child is entitled to a free and full education.

All hon. members are old enough to have witnessed something of the ravages of disease, and the physical and economic ruin which in most cases are its results. It is enemy number one in the life of the nation, and the entire resources of the nation must be massed in battle against it. Science and the medical profession are embattled against it now, but I suggest embattled against it under handicaps.

I wish to pay tribute to the medical profession. My own father was a doctor, and perhaps I would have been one, too, had I not been in a preferred position to witness, and to come to dread, the spectacle of human misery brought about by suffering. Among my earliest recollections is the clanging of the night bell in the quiet and dark of the night and then, a few minutes later, the clop-clop of the sharp-shod mare on the stones of the street, taking my father out upon his errand of mercy, perhaps in the rain or the snow, and in an open vehicle.

I pay my tribute to him here, and to those other noble-souled doctors like him. He did more work for nothing than work he was paid for. Occasionally when he found it difficult to meet his own financial obligations he might say to us, in the morning at the breakfast table, "You know, I really ought to send some bills to those people"—but I do not think he ever did.

I do not believe the doctors of today make such sacrifices; and let me hasten to add that

I do not think they should have to. In any event, free services to some mean eventually the higher cost of services to others. I think a doctor should be paid for all his work, and that fee should come out of the collective purse of the nation, where the amount of payment would be based upon the ability to pay.

We have not enough medical services; we have not enough doctors. Sometimes it is as difficult to see a doctor today as it would be to see the Prime Minister (Mr. St. Laurent). I remember last June sitting in the office of an eye, ear and throat specialist in Saskatoon. While I sat there a farmer came in, walked up to the desk past twenty or thirty people who were waiting there, and said, "I want to see the doctor." The young lady in charge looked at him in amazement. "Have you an appointment?" No, he had not an appointment. He had never been in before but had come 200 miles. He said he would like to see the doctor. She told him that the best they could do was to give him an appointment on August 24, two months later. The argument that doctors are scarce is no argument against the immediate inauguration of a health plan. I shall develop this point later on.

There is one item I should like to deal with at once. Some people contend that the development of such a plan would somehow or other entail the loss of freedom. The only loss of freedom which would result would be in the payment of taxes to support such a plan. Of course those taxes would be compulsory, but the same can be said of any other form of taxation to which we are subjected. If there is any loss of freedom involved in the hospitalization fee in Saskatchewan, for example, apparently the people of that province are happy indeed about it. Last June they indicated that they were prepared to accept that loss.

There is not much freedom in the charity ward. Instead of any loss of freedom, on the contrary there has been in that province the opening up of new paths of freedom. There has been freedom from care and anxiety, there has been created that mental freedom which comes from security. This has been present since the passage of our hospitalization act. This feeling of satisfaction is so widespread in the province that it is only rarely that someone will get up, generally someone who is motivated by political intent, at a meeting and say, "I am strong and well, why should I pay $10 a year to provide hospitalization for someone else?"

On various occasions I have replied to people of that sort by saying, "I hope you will always remain strong and well. I am reasonably healthy and reasonably strong, but I say to you that I shall be glad if I am able to pay $10 a year for the rest of my life even though I may not be ill a single day. I will consider that as not just insurance for myself for the rest of my life; I will be proud and happy to pay that for the benefit of some sufferer who may be less fortunate." I think that is the motive behind a medical health plan. There is still the question: Am I my brother's keeper? You can answer that just as you like.

Many of my colleagues have spoken on this plan during the present debate but there is one phase I should like to deal with, namely the shortages we have heard so much about. I shall have time to cover only the rather important one of hospital beds. The Prime Minister (Mr. St. Laurent) has said that these shortages are likely to preclude any immediate inauguration of a national health insurance plan.

The Liberal party has behind it a long string of promises in regard to a national health insurance plan which have not as yet been implemented. I need not remind you that the first of those promises goes back to 1919. I should like to read a few quotations from *Hansard* of that and other days. A health insurance plan was promised in the speech from the throne in January, 1943 and also in the election of 1945. I should like to quote what Mr. Mackenzie King stated on May 14, 1948, as reported on page 3932 of *Hansard*. He said:

> We have accordingly pledged ourselves to support a measure for federal assistance in a nation-wide system of health insurance, to include assistance to the provinces for preventive medicine.

That is fair enough. I could quote again from the same page where Mr. King is reported as saying that this measure represented the first stage in the development of a comprehensive health insurance plan for all Canada. Those grants were to pave the way for health insurance. They were to permit the necessary planning to be done. They were to eliminate the shortages which the present Prime Minister (Mr. St. Laurent) now brings forth as the reason these promises cannot be implemented, particularly the shortage of hospitals, hospital beds and certain key personnel.

At that time Mr. King went on to say that the purpose of these grants was to assist the provinces in planning the extension of hospital accommodation and the proper organization of hospital and medical care insurance. Referring to professional training Mr. King said, as reported on page 3934:

> The purpose of this grant will be to assist in making available the public health personnel which will be required in the development of an enlarged public health program in all fields. The grant will

also be available to assist in developing and training the personnel required for the operation of constantly expanding hospital services.

In discussing hospital construction, Mr. King went on to say:

Before health insurance can be established on an adequate basis, another development is essential. At the present time there is a tremendous shortage of hospital beds in Canada.

He then went on to say that the government would seek an appropriation for outright grants toward the construction of additional hospital accommodation. So much for Mr. King. It was made quite clear at the time he spoke and at the time the government program was announced in 1948 that the health grants were intended or designed specifically to pave the way for a nation-wide system of health insurance by eliminating shortages through inducing the provinces to undertake the required planning.

Four and a half years have gone by since 1948. Four and a half years of the program have been completed and what is the result? Apparently the government has no intention at the moment of introducing a health insurance plan and is still using the excuse of shortages in various fields as a reason why health insurance cannot be undertaken. The Prime Minister was reported in the *Globe and Mail* of September 6 last as having said in Victoria on September 5:

There isn't sufficient hospital space in Canada at present to make a federal health insurance program feasible . . . I don't feel that the government has the right to give Canadians contractual rights to hospital treatment until there is sufficient accommodation in the hospitals to enable the government to fulfil the obligation. I don't feel that there is sufficient hospital space to enable all who have contractual rights to receive hospital treatment.

We in the C.C.F. party have long contended that shortages should never be allowed to delay the introduction of the scheme itself. In fact it is our contention that the graver those shortages are, the more urgent is the necessity of seeing that such services as are available are distributed according to medical need and not according to the ability to pay. When the government now says that there are not enough hospital beds to permit health insurance it is simply condemning itself, because this was a specific task which the government undertook when it gave these grants four and a half years ago. They undertook by giving these health grants to provide the hospitals, the hospital beds and the personnel necessary to permit the establishment of a health insurance scheme.

The C.C.F. is only too pleased to acknowledge the fine work that has been accomplished as a result of these plans, but as far as eliminating shortages of personnel and facilities is concerned the surface has not even been scratched. We claim that the most effective stimulus for the elimination of these shortages would be the introduction of a health scheme. The shortages will not be overcome until a vigorous attack is made on the problem as part of a nation-wide health plan. That has been the experience of every government that has undertaken comprehensive health measures. If the government waits until all shortages are overcome before introducing a health plan then we shall be waiting forever and no plan will be introduced.

I want to deal specifically with the most important of the shortages and the one which I think the Prime Minister (Mr. St. Laurent) emphasized in his Victoria speech, namely the shortage of hospital beds. Reliable authorities—I may say I have documented what I am about to say and have the authorities here whether or not I quote them —have estimated that a minimum of 7·5 hospital beds per thousand of population is required. Indeed some authorities have estimated the figure to be somewhat higher. They go as high as 9 per thousand, including acute and chronic cases. But if we take the lower figure of 7·5 per thousand of population and calculate on the basis of our 1951 population, Canada should have a hospital bed capacity of 103,800 odd. We actually only have some 69,400, and I think that figure is too low, because it would necessarily imply certain duplication. It is a figure taken from the pamphlet "List of Hospitals" issued by the Department of National Health and Welfare.

Thus it is that on the basis of this standard —and, mark you, that is after approximately four years of the government's hospital building plan—there was still a shortage, according to their own figures, of 34,000 hospital beds in Canada. One of the things that must be remembered is that while there has been some increase in the actual number of beds there has been a corresponding or even greater increase proportionately in the population of Canada itself. In fact we have had an increase in population of roughly 2 million in the last five years, which years would be covered by these grants. This of course means an extra demand upon hospital space. For example, between 1948 and 1950 the average daily patient population of hospitals increased from 48,000 to 53,000, an increase of 10 per cent. The reference there is to the annual reports of hospitals, 1948 to 1950, dominion bureau of statistics. The point was very well made in the annual report of hospitals for 1949 at page 10 in these words:

Although the number of reporting hospitals and their combined bed capacity has shown an increase

in the past seventeen years, the ratio of bed capacity per 100,000 population for the same period has shown little variation.

Necessary though these grants were, we should ask ourselves what success they have had in bringing us closer to the ideal which prompted the giving of them. Of course there has been an increase in the number of hospitals built over the years, and no doubt we must give credit—and we give it cheerfully—to the hospital construction scheme of the government. But from 1948 when the grants were announced to 1951, four out of the five years, hospital bed capacity has only increased by roughly 13,500 beds, which is far short of the goal of 40,000 beds announced by Mr. King in May of 1948. This leaves approximately 26,500 beds to be completed in this last year of the program. I suggest to you, sir, that is a construction program for one year roughly twice the total of the past four years. It may be physically possible that that objective will be achieved but I would suggest it is highly unlikely.

Mr. McCusker: Will the hon. gentleman permit me to ask him a question?

Mr. Knight: I would much prefer to deal with questions later.

Mr. McCusker: I know the hon. member does not wish to give wrong figures.

Mr. Knight: Quite true.

Mr. McCusker: I wish to correct the hon. member with respect to the hospital figures he has given.

Mr. Knight: That is not asking a question. If the hon. member wants to ask me the source of any figure I will be pleased to give it.

Mr. McCusker: Does he wish to give correct figures?

Mr. Knight: The answer is yes.

Mr. McCusker: Then will the hon. member permit me to give them?

Mr. Knight: No. As I explained, I have the source for all these figures. If my friend wishes to correct them in a speech of his own that is his responsibility.

An hon. Member: Anything but the truth.

Mr. Knight: I took particular care to have all these figures documented. I have a complete list of such documentation which I will give my hon. friend when I have finished. I want to deal with another matter after I finish with this subject and I would rather not have my hon. friend give me a lecture at the moment. The fact of the matter is that the hospital grants program is going to fall far short of its goal, and it is extremely doubtful if even half the five year goal will be reached.

Why is it that hospital construction is failing so badly? The only reason I can find is that the grants are too small. The program makes available $1,000 per bed for active treatment cases and $1,500 per bed for those cases which may be termed chronic or convalescent. But this is such a small proportion of the total amount required to build hospitals that it has not stimulated hospital construction sufficiently. In 1948-49, when the program got under way, hospital construction costs were approximately $10,000 per bed. That is a statement by an Ottawa man, Controller Paul Tardif, when speaking on March 14, 1949.

If we look at the composite index of wholesale building costs, including all construction materials and wages, we find that it has gone up from 200 in 1948 to 260 in mid-1952. If we use this as a measure of increase in hospital construction costs during that period, we find that construction costs would have gone up by at least $3,000 per bed in that period. In other words there would have been an increase over the period of $3,000 per bed, but the federal grant is only $1,000 per bed. At that rate it is no wonder that the program is failing in its objective.

Let me repeat that the only way to be sure that such shortages can be overcome is to undertake a nation-wide health scheme first. Far more generous grants would have to be made in connection with the program, and I want to emphasize that the stimulus to increase construction arising from the increased demand for hospital services will do more than any other factor to ensure that the requisite hospitals are constructed quickly. This has been well demonstrated in my own province. When the C.C.F. government was elected in Saskatchewan in 1944 that province was short of hospital beds, as was the rest of Canada. It only had 3·75 hospital beds per thousand population. My authority here is the annual report of the Saskatchewan hospital service plan, 1951.

Mr. McCusker: Will the hon. member permit me to give him the correct figure for hospital beds in Saskatchewan in 1944? It is 4·7, not 3·75.

Mr. Knight: I have the correct figure as found in the report of the Saskatchewan hospital service plan, 1951, page 12.

Mr. Deputy Speaker: The hon. member must not interrupt the member who has the floor, without his consent.

Mr. Knight: We have had some bold and imaginative action which, coupled with a lot

of hard work, resulted in a tremendous hospital construction boom. I shall say, too, for the benefit of my hon. friend who has interrupted me that a great part of that construction was undertaken before federal hospital construction grants were available at all. The result has been that hospital beds in Saskatchewan have increased from 3·75 per thousand in 1944 to 6·7 per thousand at the end of 1951. By the end of this year there will be well over 7 beds per thousand.

Saskatchewan, thanks to its inauguration of a provincial hospital scheme and a vigorous construction program undertaken in conjunction with that scheme, is the only province in Canada which has anything like adequate hospital facilities available. This experience, we think, should be applied in the federal field. The best stimulus, I repeat, that could be provided to overcome the hospital shortage would be the inauguration of a national health insurance program such as is advocated by this party.

A similar experience has been found in the United Kingdom in connection with their universal health services plan, the one they undertook in 1948. They too were faced with severe shortages of hospitals as well as personnel. But, in the three years after—note that I say "after" and not "before"—the inauguration of their program, they increased the number of staffed hospital beds by nearly 40,000.

In literally dozens of countries it has been the same story—insufficient doctors, hospitals, nurses, and so on. If they had waited until those shortages had disappeared they would be still waiting as we are still waiting in Canada, but they proceeded with their plans for health services. They introduced them themselves, and that introduction was the best stimulus to overcoming the shortages. It is the demand which creates the supply, and it is useless to build hospitals unless at the same time provision is made by which the general public can be enabled to pay for those services when they are provided.

I would like to have said a word or two about the shortage of nurses. Just as with hospitals, there have been shortages of facilities for training nurses. Other governments have found that the best method of dealing with those shortages is the inauguration of a health plan. In the United Kingdom the most acute shortage, as a matter of fact, was in the nursing field. In preparation for, and later as part of the national health service plan introduced in that country, working conditions were improved and pay was increased not only for nurses but also for other hospital workers. As a result of those measures and as a result of the better financial circumstances of the hospitals resulting from the inauguration of the health plan—and by the way that is something we discovered in our province: the hospitals are no longer running behind financially—nursing staffs in the United Kingdom increased from 127,200 in 1947 to 153,100 in 1949. That is an increase of more than 20 per cent in a little more than two years. To my hon. friend I would recommend the reading of a new book by James Ross, "National Health Services in Great Britain, 1952".

In Saskatchewan the effort to increase the supply of nurses has been described in the Saskatchewan health survey report, volume 1, page 176, and I quote:

> In 1945 a plan was instituted by the health services planning commission whereby the hospitals with nursing schools which could legitimately enrol more than their normal quota of nursing students would be paid a grant to defray the additional expense incurred in doing so . . . Since 1947 the costs of operating the schools of nursing have been recognized as hospital operating costs under the payment system of the Saskatchewan hospital services plan. As a result of these efforts there has been a substantial increase in enrolment in schools of nursing.

This is also a statement from the report:

> From 1945 to 1949 there was an increase of 29 per cent in enrolment in schools of nursing in Saskatchewan. During the five years, 1945 to 1949, the increase in the number of students enrolled almost kept pace with the increase in the rated capacity of those hospitals.

With the improved conditions of nursing and with the active encouragement of the government in the manner indicated, the rate of withdrawal of nursing students in Saskatchewan has been reduced to 20 per cent, well below the rate in the rest of Canada, which is 33 per cent, and below the figure of 30 per cent for the United States.

The government says there are shortages and that it cannot undertake a national health insurance plan until the shortages are overcome. It is the C.C.F. contention that the government's program for overcoming these shortages will fail miserably, and that rather than a health insurance program being dependent upon the overcoming of shortages it will be the best single means, if not the only means, by which the shortages may be overcome. This applies not only in the two fields I have been discussing—hospitals and nurses—but also as far as physicians, dentists, psychiatrists, technicians and other personnel are concerned.

Sir, I have now to turn rather abruptly and hurriedly to another subject. I am almost compelled to raise it by the fact that I have a letter from the branch of the Canadian Legion in my own city, and I have

a file of other letters from private individuals. I want simply to quote this letter from the Legion:

For your information we are attaching copies of letters despatched to the Prime Minister and to the president, Canadian National Railways, with respect to the recent demotion of Mr. R. S. Pitt, from manager of the Fort Garry Hotel, to that of Prince Edward Hotel.

Mr. Pitt served our country well in time of war, being mentioned in despatches and awarded the M.B.E.

We feel certain that the explanation now given by Mr. Chevrier on behalf of the government was not the basis of the demotion at the time it was made and we urge your interest until justice is accorded this veteran.

That was from the Legion, and I have another from a well-known gentleman who owns a couple of hotels and who assures us of Mr. Pitt's honesty, efficiency and courtesy. I should refer to the answer given by the Minister of Transport (Mr. Chevrier) to the question which was previously asked in regard to this man's demotion. The minister stated that he was satisfied with the explanation of the Canadian National Railways management, but I would like to say that I and these other people do not feel satisfied and I have written to the minister to say so. Many people have written me that they are not satisfied. After all, this Canadian National Railways is publicly owned and we are pretty much concerned about the method of treatment of our employees.

I have stated the case. I felt I should put it on the record. Our city daily paper which, in its editorial policy, usually supports the government, is also extremely critical. I think I should include for the record what that newspaper has to say, in my plea that there may be a further investigation into this matter. I assure you that if the matter is not again raised in the house somebody—and if no one else does it I shall do it myself—will question the officials of the Canadian National Railways in regard to what is apparently felt in my city at least to be a matter of some injustice. I shall close my remarks by quoting a line or two from the editorial in question. It is headed "Unsavoury incident".

The thousands of citizens of this city who recall Mr. Bob Pitt erstwhile manager of the Bessborough hotel with affection and respect must certainly be dissatisfied with the excuses offered for his summary demotion from manager of the Fort Garry in Winnipeg to manager of the Brandon hotel. It is said that he neglected to greet the Prime Minister on his arrival at the Fort Garry last summer. Investigation has shown that Mr. St. Laurent was met in the hotel by some dozens of local dignitaries and it is understandable that Mr. Pitt, whose 25 years in the service has given him broad experience—

I am going to skip that part.

[Mr. Knight.]

An hon. Member: Read it.

Mr. Knight: Very well.

. . . Mr. Pitt, whose 25 years in the service has given him broad experience in such matters, would not barge into a group whose evident connection with the Prime Minister was much closer than his as hotel manager.

News stories in Winnipeg have also suggested that the hotel system management charges that the Fort Garry has been mismanaged under Mr. Pitt. We who recall the splendid and courteous management he gave our own institution would like proof.

We suspect that some member of the Prime Minister's group, possibly some officious party slavey—

That is his word, not mine.

—who might have regarded the railway system as strictly Liberal party property, in a fit of pique registered a complaint, and that this brought disaster to a lifetime of service. It is too bad it seems to us that the Prime Minister's name should have been linked with such a business.

This newspaper, which in this matter presumes to speak for the owners of the C.N.R. who happen to live in this city and who have had the privilege of having Mr. Pitt serve them, would like a fuller explanation from the hotel management and from the Prime Minister's office which, whether properly or not, is involved in the matter.

I should simply say that I, too, would welcome an investigation. I hold no brief for Mr. Pitt. I know nothing of the circumstances but I think he or any other man in the public service who is demoted in that manner has a right to a hearing. It is only proper that the public should know the reason for this demotion, and if this was not merely routine what was the reason for it. If it was merely routine, why the demotion?

Mr. G. D. Weaver (Churchill): This afternoon I am going to follow a little different line of thought from the previous speakers. It has been most interesting during the past several sessions for me to watch the chief opposition party under the direction of its leader, the hon. member for Carleton (Mr. Drew), change direction many times in its attack on the Department of National Defence. In the fall of 1950, some months after the outbreak of hostilities in Korea, the Leader of the Opposition had this to say, and I quote from page 473 of *Hansard* for September 8, 1950:

Does any hon. member think that the men in the Kremlin are going to be greatly impressed by the news that some months from now we are going to have a special brigade available? In the face of their 175 fully mobilized divisions and their 350 divisions which could be in the field in a very short time, is one special brigade, with three or four thousand combatants, going to leave very much impression in their minds of the urgency, vigour and determination with which we are playing our collective part in the responsibility of saving freedom for ourselves and for others?

In actual fact the Department of National Defence extended its facilities so greatly that in the spring there was an announcement to this house of a $5 billion defence program.

This $5 billion was to be spent over a period of three years. In the fiscal year 1951-52 parliament authorized the Department of National Defence to spend $1,700 million. This was an extremely ambitious program, of which more than one-third was to be implemented in the first year. In spite of the fact that this program was extremely ambitious, the Canadian part of it was almost accomplished. The bulk of the $340 million odd which was not spent was made up of undelivered orders placed in the United States. It was later stated that all that Canada was behind in that defence program was the undelivered orders from the United States.

Then last spring, lo and behold, the Leader of the Opposition changed his tactics and played up the overtaxation theme, chiefly because of this surplus that had been built up. He refused to recognize that the bulk of that accumulated surplus was the underspent portion of the defence program. Some of the words that were used during that last session by members of the chief opposition party were "waste" and "inefficiency". Inefficiency was supposedly rampant in the armed forces and they spoke of large-scale looting, theft, fraud and incendiarism.

Then at the opening of this session and the beginning of this debate the Leader of the Opposition continued his charges of waste and inefficiency, and brought up material that had been thoroughly covered in the defence expenditures committee last spring. He went further, and I quote from page 23 of *Hansard* for November 24, 1952:

> This government has largely destroyed the effectiveness of the committee system established by this parliament for the examination of government expenditure by permitting and in fact encouraging the use of a majority of government supporters on those committees to deny any real opportunity to conduct effective inquiries.

It has been my privilege, Mr. Speaker, in the last two sessions of parliament to be a member of the defence expenditures committee. In the two final years, 1951 and 1952, $2 billion of the taxpayers' money was spent by the Department of National Defence. That is a great deal of money, and it came out of the pockets of our taxpayers, including the pockets of the taxpayers in my constituency. As a member of that committee I felt it was my responsibility to my constituents to assure myself as to whether or not that money had been spent to the best advantage.

Any other hon. members who are concerned would do well to read the third and final report of the defence expenditures committee of last session. I am going to quote one paragraph:

> Mr. E. B. Armstrong, assistant deputy minister, Department of National Defence, gave a detailed explanation of the control and accounting of materiel and stores in the Department of National Defence. In addition, the committee requested and obtained documents containing detailed information regarding thefts, frauds, fires and other write-offs in the navy, army and air force during the fiscal years 1950-51 and 1951-52. These documents contained a total of 182 pages of relevant information.

I hold in my hand those 182 pages of relevant information which were given to the committee on defence expenditures last spring. While the committee was sitting, certain figures were given. These figures which were given to the committee were commented upon later in the house by the Leader of the Opposition. I again quote from page 2329 of *Hansard* for May 19, 1952 where he said:

> . . . but there have become available reports of theft, looting and fires, some of them incendiary, which have resulted in the last two years in a loss estimated by the Department of National Defence at a figure of more than $7 million.

He tried to leave the impression that this figure had resulted entirely from theft, looting and incendiary fires. Not only did he do that; he tried to leave the impression that this $7 million figure was greatly underestimated and should have been much greater, because a few lines further on he said:

> If the accounting methods of the Department of National Defence report a loss of only $3,500 at Farnham, then the statement given of the total loss as in the statement prepared by the department, showing a loss of more than $7 million, should contain figures very much higher than it actually does.

I just wonder how much higher the Leader of the Opposition would have liked the people of Canada to believe they should have been, whether it was $5 million, $10 million or even perhaps $20 million.

Along with these documents I showed to the house there was a recapitulation giving the amount. The first heading was "Losses due to Theft or Fraud" and it gives the total sum for all three services at $85,809.75. The next item was "Losses due to fire", and the total for the three services was given at $5,205,970.54. Finally, the third item was "Other Write-Offs" amounting to $2,212,-931.15. It is this figure for "Other Write-Offs" that I particularly want to deal with this afternoon.

I should point out that "Other Write-Offs" covers the units, the amount of the write-off, and the surplus taken on charge at the same time. There is also another column showing "Estimate of Total Holding" and a column showing the reasons for the write-offs. In these figures that I read out there was nothing to show how much had been taken on charge at the same time; and in the committee I asked that this figure be supplied. This

figure was supplied as $643,193.09. I will shortly give you the reasons I quoted it in this way.

The hon. member for Greenwood (Mr. Macdonnell) in the committee asked for a break-down of one of these items, and this break-down was filed in the committee as exhibit G. I will just mention two of these items. In stocktaking there was an item, three globe valves ¼" x 300 pounds. Those were written off. Right under that there is another item of three globe valves ¼" x 280 pounds, taken on charge. In other words, valves of the exact designation ¼" x 300 pounds were not there, but there were three valves with a slightly different designation and they were taken on charge. Another item was 12 globe valves 2" x 150 lbs. written off and another twelve valves with a slightly different designation taken on charge. The total written off in this particular exhibit was approximately $7,000 and the total taken on charge was approximately $6,600, so that there was a net write-off of just $452. This is carried all the way through the many documents—taking on charge an amount, as I gave you before, of $643,000 approximately, which naturally should have been subtracted from that figure. Then on going through these documents it was found that among the things written off was one North Star aircraft valued at $225,000. This aircraft was destroyed by explosion. I will read from the remarks column where this information was given to the committee:

> Explosion occurred while aircraft was being refuelled. It is believed that the N.C.O. who had removed the snow from the aircraft had accumulated electric static in his body and by kneeling on a broom and a piece of rag caused a spark which resulted in the explosion.

We are enjoying nice weather down here in Ottawa at the present time and we are all quite comfortable. I wonder whether those who have been so critical of the soldiers, airmen and naval personnel would remember that this aircraft was destroyed at Whitehorse in the Yukon.

Then there was damage in a crash, to a Lancaster aircraft, amounting to $78,000. Another item written off—I am not going to give the exact figures because it takes a great deal of time to do that; I will give round figures—was approximately $500 for the loss of propeller and anchor from a marine craft:

> The propeller was lost while proceeding out Miramichi river. The craft returned to Chatham on the starboard engine. It was necessary to use anchors to hold the stern of the craft against the tide. One anchor had become caught in an old sunken crib and it was impossible to raise and recover the anchor.

I am sure hon. members will recognize that this item does not fall under any of the classifications of looting, theft or fraud.

Another item was $14,000 for radio equipment to be replaced following a fire in the Department of Transport control tower at Coral Harbour. I am sure that would not come under the heading of theft, fraud or looting. Here is another one that struck my fancy. This one amounts to approximately $2,500 and is for the loss of 335 empty gasoline drums:

> The loss occurred while being transferred to Norman Wells via Waterways. The loss is attributed to a storm on Great Slave lake.

That could bear no relationship to theft, fraud or looting. Then there was a figure of approximately $3,500 for other damage in aircraft crashes, including loss of wing tanks, parachutes, airmen's kits, and so on. Here is another one amounting to $16,000, gas written off in northern gas caches. These gas caches are spread over the Northwest Territories all across northern Canada. They are there and are used under circumstances of great urgency, usually when the thermometer is at a very low point. I am sure none of the airmen who get cold fingers trying to transfer gasoline from one of these caches far from civilization would like it thought that the figures of write-offs in these cases were included in the figures given to the committee on defence expenditures under the heading of thefts, frauds or looting.

Another item was for $10,000 of bridging equipment carried away by flood in British Columbia. There is a further item of $4,000 for bridging equipment damaged and sunk in British Columbia. Then there was a total of approximately $23,000 for accidental damage to vehicles and other equipment. Just to mention two of these items, there was one for $4,000 and one for $6,000 for aircraft engine damage.

Thus far I have overlooked one large item. In the figures given to the defence expenditures committee under this recapitulation there is included naval aircraft write-off for 1950-1951 and naval aircraft write-off for 1951-52. In one year it was $385,000 and in the other $670,000, or a total of $1,055,000. This certainly cannot be classed as theft, fraud, looting or incendiarism.

The figures I have given total $1,434,028.67. I have already explained the figure described as "taken on charge". That, added to the previous figure I have given, makes a total of $2,077,221.76. All these amounts must be subtracted from the figure given before, namely $2,200,000 odd. I have not begun to give all the things written off that are of a similar nature to the ones I have already

given. However, subtracting the total from the figure given for "other write-offs" we have left $135,709.39. It is only in this figure that there might be room for some dishonesty, along with some carelessness and perhaps some mistakes. But that is a far cry from $2,212,931.15.

Let us now consider the subject of fires. According to this recapitulation, losses due to fires in two years amounted to something more than $5,200,000. Among these were two large fires, one at Trenton with a loss of $2,300,000 and one at the 26th Canadian ordnance depot. These two losses totalled approximately $3,031,000.

These losses drew no special criticism from the committee. As a member of the committee I had all the information available, and I could see no reason to suppose that these were not in the same category as fires in other cities in Canada. In fact these fires were far below the rate of fires in six representative cities. This information was given to the house last session by the Minister of National Defence (Mr. Claxton). But of all the fires listed in these documents there were one case of incendiarism and three cases of suspected arson, although they were not proven.

In this recapitulation I have allowed the three cases of suspected arson, in order to meet the conditions set out by the Leader of the Opposition (Mr. Drew) in the statement I read, where there was reference to theft, looting and fires, some of them incendiary. Meeting these conditions, the totals would now appear to be: losses due to theft or fraud $85,809.75; losses due to incendiary fires and suspected arson, $218,096.33, and other write-offs where there might be room for some carelessness, dishonesty or mistakes, the sum of $135,709.39, making a total of $439,615.47.

Mr. Hodgson: Where did you get those figures?

Mr. Weaver: Which figures?

Mr. Hodgson: That you just read.

Mr. Weaver: They are available to any member of the committee on defence expenditures, of which I was a member. I went to considerable trouble in digging them out from the documents placed before us. They are available to all hon. members.

Mr. Hodgson: You missed some.

Mr. Weaver: I missed a lot of them, and I have already explained that. I might tell hon. members I was questioned about this matter last summer in my own constituency, about thefts and frauds in the army amounting to $7 million. I have shown hon. members that this figure is now contracted to less than $450,000, and I say further that any hon. member who would take the trouble to go through the information available can reduce the figure drastically below $450,000.

Hon. members have spent a good deal of time in making reference to Petawawa. So far as I know the situation there is still sub judice. However, the amounts involved are included in the figures I have placed on *Hansard* this afternoon, and the total losses at that point are part of this $450,000. I am sure this will surprise many hon. members, and certainly will come as a surprise to many Canadians who have been seriously misled by these charges concerning looting and theft by members of the armed forces.

If I am fortunate enough to serve as a member of the committee on defence expenditures, which according to the notice on the order paper is to be set up at this session, I shall spare no effort in determining to my satisfaction, and on behalf of my constituents, that the large sums of money being spent by the Department of National Defence are being spent to the best advantage.

Mr. A. M. Robichaud (Gloucester): Mr. Speaker, as a newly-elected member who was introduced to the House of Commons on the same day as was the hon. member for Brome-Missisquoi (Mr. Deslieres) and the hon. member for Waterloo North (Mr. Schneider), I would indeed be remiss in my duty if I did not join hon. members on all sides of the house and extend my sincere congratulations to the mover and the seconder of the address in reply to the speech from the throne upon the able manner in which they have discharged their respective duties.

I crave the indulgence of the house if I find it necessary to confine myself to matters of purely local interest. I do so cognizant of the fact that there are those more able than myself who can discuss questions that are of major national or international importance. If I steer a somewhat homeward course it is done in the hope of better fulfilling the mandate which has been given to me by my constituents. I intend to speak about matters about which I know something rather than to trespass into unknown fields.

It is my intention to limit my modest contribution to this debate by dealing first with a passage from the speech from the throne which raises a matter of interest to the province of New Brunswick. I shall then centre the remainder of my remarks around certain policies and practices of the present administration which directly affect the primary industries of my own constituency of Gloucester.

In the speech from the throne it is indicated that parliament will be asked to make financial provision for a proposed new ferry service between Yarmouth, Nova Scotia and Bar Harbor, Maine. I preface my remarks at this point with the clear statement that my native province of New Brunswick has no animus against our neighbouring province of Nova Scotia. The fact is that the two provinces have many things in common. Ethnically our people spring from the same ancestry. Geographically we are neighbours and partners in the maritimes. Economically we have similar problems. New Brunswick, as you know, has always been ready to champion any cause put forth by our sister province which we felt would be conducive to the attainment of economic advantage. Let it be understood that the support of Nova Scotia in any maritime-wide effort has always been appreciated by every New Brunswicker.

However, when the announcement was made by the Minister of Transport (Mr. Chevrier) in November last that a contract for the construction of a vessel to operate between Yarmouth, Nova Scotia, and Bar Harbor, Maine, had been awarded to the Davie Shipbuilding Company of Lauzon, Quebec at a price of $3,926,000 we in New Brunswick were indeed deeply concerned. We realized that this project was the result of a most laudable effort by the Nova Scotia government to attract a greater number of United States tourists to that province by providing a short-route ferry between the points I have mentioned. Were the province of Nova Scotia to assume the greater part of the cost of the construction and operation of this ferry we in New Brunswick would have next to nothing to complain about, but as I understand the situation the provincial government of Nova Scotia has succeeded in convincing its counterpart, the federal government, that it should assume approximately two-thirds of the cost of construction as well as a substantial share of the cost of operating this ferry.

It is reported that the new ferry will have an over-all length of 345 feet 10 inches and a service speed of 18½ knots. It will make one round trip a day during daylight hours and will have a capacity of some 600 passengers and about 150 automobiles. In announcing the award of the contract the Minister of Transport, according to a special press dispatch from Ottawa, was reported to have said that when in operation the new ship will add considerable impetus to the interchange of traffic between Nova Scotia and the New England states and will attract tourist traffic to the maritimes.

It would be most illogical to take issue with the first part of the minister's statement, as undoubtedly traffic between Nova Scotia and the New England states will be considerably increased by the proposed new service, but I am not prepared to concur in the second part of the minister's statement where he says that the car ferry will attract tourist traffic to the maritimes as a whole. The position we take in New Brunswick is that the proposed new service will prove detrimental to our tourist trade. The Moncton *Times* of September 26 put it tersely in an editorial as follows:

> In committing the dominion government to such a bargain, Hon. Lionel Chevrier is directly discriminating against New Brunswick in its tourist industry. Or to put it another way, Ottawa is subsidizing Nova Scotia's vacation travel business to the detriment of a border province, and, therefore, is at once unfair and unjust to the latter. This federally-aided Bar Harbor-Yarmouth ferry will, unmistakably, funnel off from this province a very considerable volume of motor-visitor travel from U.S.A., and on which we have expended quite large sums of money to promote.

The people of our province, particularly those in the southern part, are gravely concerned over what they consider to be discrimination against New Brunswick on the part of the federal government. The general opinion is that the ferry short-cut will deprive New Brunswick of numerous tourist cars which otherwise would travel through the province en route to Nova Scotia or Prince Edward Island. The New Brunswick tourist industry is bound to be affected by the new service, as a considerable number of United States tourists will take advantage of the ferry service and go to Nova Scotia rather than motor through the beautiful province of New Brunswick. Such being the situation as we in New Brunswick view it, are there any possible solutions in order to at least palliate our lot as a contributing partner to this project? It is suggested that the matter would be at least partly solved if arrangements could be made to operate the ferry on a triangular route including a call at the port of Saint John, New Brunswick, for instance. Again, if the former link between Saint John and Boston through the passenger liner service of Eastern Steamship Lines could be re-established, this, we submit, would increase the tourist traffic to the province of New Brunswick without too much interference from the proposed Yarmouth-Bar Harbor, Maine, ferry. However, as the matter now stands the province of New Brunswick is bound to lose in the deal.

We are unfairly called upon to contribute our share as a province of this dominion to a costly project which cannot but prove highly detrimental to our own interests. I

am fully aware of the principle that particular local interests or provincialism, if you want to call it that, must often be forgotten or sacrificed to bring about the attainment of a greater common good. Yet I cannot see any justification in a project involving a considerable expenditure of public moneys to which New Brunswick will have to contribute its share, whose resultant effects will necessarily prove detrimental to our province to the exclusive benefit of our sister province of Nova Scotia. I therefore feel that I am voicing the opinion of my province in protesting against this proposed large federal subsidy to the Yarmouth-Bar Harbor, Maine, ferry.

Coming now to the consideration of certain policies or practices of the government in so far as they directly affect Gloucester county, I must deplore the loss of markets for unmanufactured wood and underline certain policies or practices on the part of the Department of Public Works bordering on malfeasance and, most particularly, on nonfeasance, which are seriously hindering the expansion and development of our fisheries. The products of our forests have played a most important part in the economic development of our county. During the past few years one of the most profitable exports from Gloucester county, the Miramichi area, and from all our New Brunswick eastern ports down as far as Pugwash, Nova Scotia, has undoubtedly been our pit props.

Perhaps the main reason pit props have proven to be one of the most convenient resources on the farms of my own and other counties of the maritime provinces lies in the fact that almost every farmer has on his woodlot jackpine, spruce or fir, which are all adaptable to the making of pit props. One cord of pit props cut and peeled is a fair average day's work for our eastern farmers in their off-season spare time, and this represents the appreciable sum of $30. In 1948 total Canadian exports of pit props to Great Britain amounted to $7,580,399. In 1951 these same exports had fallen to $2,566,136. I dare say that most of these pit props, especially in 1951, came from the maritime provinces.

According to the latest available statistics the total value of pit props exported to the British market during the first nine months of 1952 has shrunk to $1,812,902. It may be said that competition from the Baltic countries and the scarcity of so-called "hard money" in Great Britain are responsible for this loss of markets. Nevertheless this is a situation which is bringing hardship to the people of my constituency and of other counties in the maritime provinces, and we naturally look to the federal government to do something about it.

There has also been a marked decrease in our exports of peeled and rough pulpwood, as it is called, to the United Kingdom. Whereas our exports of peeled pulpwood to those overseas markets represented a dollar value of $1,846,297 in 1951, we only exported to the amount of $152,086 during the first nine months of 1952, or about one-twelfth of our 1951 export value. Similarly our exports of rough pulpwood fell from $1,383,607 in 1951 to a paltry $6,507 during the first nine months of the present year.

These figures, Mr. Speaker, are tragically eloquent in their significance to the pit-prop and pulpwood operators, to the woodsmen and the farmers of the northern and eastern parts of New Brunswick. Prospects for the coming year at the present time are on the dark and gloomy side. Britain's 1953 pit prop requirements will be mostly filled by Poland, Finland, Sweden and Russia. I am informed that we cannot expect any substantial contracts from Great Britain next year. This picture of our exports of unmanufactured wood is obviously far from rosy and promising for the coming cutting season. Already our newly elected government in New Brunswick, fully awake to the gravity of the situation, has taken active steps with a view to inducing the buyers in Great Britain to continue their patronage in pit props at least to the operators, woodsmen and farmers of New Brunswick. This problem is of such magnitude as to necessitate the direct intervention of the federal government and I therefore make a strong appeal to the Minister of Trade and Commerce (Mr. Howe) to explore every avenue, every possible means of reopening the markets which we are losing in Britain to the great detriment of the woodsmen, farmers and operators of our maritime provinces.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Robichaud: Mr. Speaker, just before the recess I had been quoting statistics in support of the contention that we are faced with losing our British markets for pit props and pulpwood. In view of these considerations, which have had such an immediately unfavourable reflection on an important factor of the economy of my constituency, as well as that of many other counties in

the maritime provinces, I certainly cannot endorse nor accept that part of the throne speech which states:

> Our economic conditions remain favourable and the level of external trade is high.

I turn now to fisheries. In my maiden speech in this house I took a definite stand on behalf of the fishermen of the county of Gloucester. I stated then and I repeat now that fishing is positively one of our most important industries. For quite a few years the federal government has agreed to pay to the fishermen's loan board of the Atlantic coast provinces a subsidy of up to $165 per gross ton towards the construction of dragger or long-liner type vessels. In Gloucester county several draggers have been constructed under that arrangement. The subsidies provided by the federal government have certainly proved to be a good investment because landings and landed value of cod, and more particularly flatfish, have certainly increased since our fleet of draggers has been operating. Lately there has been a considerable increase in the landings of flounders particularly in the bay of Fundy and northern New Brunswick. With a ready market for these fish, the marked increase in the catch from 9,351,000 pounds in 1949 to 15,159,000 pounds in 1950 represented quite a substantial increase in revenue for our fishermen. In New Brunswick alone for the first nine months of 1952 the landed value of plaice and other flatfish was $174,000 as compared with $154,000 in 1951.

I think it is safe to say that most of those fish were caught by the Gloucester county dragger fleet in the course of their cod-dragging operations. In 1949, when the landings of cod and other ground fish showed a marked decrease, especially in Nova Scotia and Prince Edward Island, our Gloucester county fleet draggers produced an increase of 2 million pounds over the preceding year. Those figures substantiate the contention that the new type draggers have certainly revolutionized the fishing industry in northern New Brunswick. There is an increasing demand for those draggers and it is my hope that the New Brunswick fishermen's loan board will continue to receive ever-increasing assistance from the federal government as this type of federal assistance has certainly proved to be a practical and efficient way of increasing the production of our deep-sea fisheries.

May I, at this stage, bring to the attention of the Minister of Fisheries (Mr. Sinclair) a clause in the contracts heretofore entered into between the fishermen's loan board of the province of New Brunswick and applicants for dragger type vessels. This clause has already given rise to numerous justifiable complaints on the part of dragger owners. I wish to refer to the contractual obligation under which our fishermen are bound to sell all their catch, if not to specified dealers then at least within the province of New Brunswick. This clause, in the dragger contracts, has always seemed to me most unfair to our fishermen. It borders, in my submission, on a clause in restraint of trade inasmuch as it gives local dealers an opportunity to agree on a set price which in some instances may be lower than market conditions warrant; and at the same time it forces our fishermen to sell at such a dealer's agreed or set price. I have been informed that draggers coming in from the fishing banks with a load could easily, in a few hours, cross the baie de Chaleur and sell their fish on the Gaspe shore at a price higher than the Caraquet or Shippigan dealers will allow them. Yet being bound by their contract they cannot avail themselves of such a profitable opportunity.

According to the September issue of the "Monthly Review of Canadian Fisheries Statistics", the price received by fishermen for cod at Caraquet, New Brunswick, as at September, 1951, was 2½ cents per pound as landed. During the same period cod commanded a price of 3 cents per pound at Souris, Prince Edward Island, 3 to 4½ cents per pound at Halifax and 3½ cents per pound at Yarmouth, Nova Scotia. As at September 15, 1952, our fishermen were receiving 3 cents per pound for cod at Caraquet when they could have sold the same cod at prices varying between 3¼ and 3¾ cents per pound at Souris which is a most accessible port for them, especially during the late summer and fall operations.

The above statistics clearly show a disparity of prices which is detrimental to our Gloucester county fishermen, bound as they are by the already mentioned restrictive clause in their contracts. The dragger fishermen cannot protest too loudly against this unfair situation, or when they can protest it is too late as they must sign their agreement before they can obtain a loan from the New Brunswick fishermen's loan board. On the face of it, however, this restrictive and mandatory clause in their contracts militates to the detriment of the fishermen and favours the dealers. I consider it my duty to bring this situation to the attention of the Minister of Fisheries (Mr. Sinclair) with a view to obtaining his assistance and collaboration, so that our New Brunswick

fishermen's loan board may be induced to have this unfair clause deleted from all our dragger contracts.

I hope I have in no uncertain terms underlined the importance of the dragger type of vessel in the development of our deep-sea fisheries. This brings me to the problem of dragger operations and their effect on inshore fisheries, particularly along the coast of the baie de Chaleur. Numerous complaints have already been filed with the Department of Fisheries on behalf of several long-line fishermen in my county. According to the terms of condition 1 printed on the licence issued to draggers, no fishing operations can be carried on within one-half mile of boats or vessels fishing with hooks and lines or any stationary fishing apparatus, nor interfere with other methods of fishing. Unfortunately it is a well known fact that this regulation is disregarded by several small draggers, some of which come from the Quebec side of the baie de Chaleur during their fishing operations in our bay. Hundreds of dollars worth of actual damage to trawls and other fishing equipment have already been reported to departmental officials. Were we to add to these amounts the catch value of the fish lost as a result of the damaged gear and the time and labour involved in repair and replacement, we would realize that the fishermen who depend for a livelihood on inshore fishing along the coast of Gloucester county certainly have good grounds for complaint. We have been told that the problem is under active consideration. May I urge the Minister of Fisheries and his technical advisers to spare no effort in finding a solution to this important problem.

I am and always will be prepared to assist in promoting the best interests of our dragger fishermen. I am one of those who believe that these dragger type vessels are essential to the modern concept of deep-sea fish production. On the other hand I feel that I owe a duty to the no less deserving inshore fishermen who are entitled also to a full measure of protection and encouragement. Having approved the actual method of federally subsidizing the construction of dragger or small dragger type vessels, may I now suggest to the Department of Public Works some of the ways by which it can also assist in promoting and encouraging our fisheries in Gloucester county.

I have stated already in this house that the county of Gloucester has been sadly neglected by the present federal government, particularly with regard to certain public works which the people of my constituency consider essential to the full development of our fisheries potentialities. In the estimates for 1952-53 there was an item of $32,000 for the dredging of Ferguson gully near Tracadie, New Brunswick. The dredging of this gully has been a perennial promise by Liberal candidates at every federal election since the turn of the century. The dredging of this gully is a matter of major importance to the fishermen of that locality. Although the moneys were voted at the last session, nothing has been done so far. How much longer shall the fishermen of Tracadie Beach and Big Tracadie river have to wait for the realization of this project?

Likewise, strong representations have been made to the Department of Public Works and the Department of Fisheries by the Tracadie board of trade urging the opening of the main Tracadie gully and protecting it by adequate breakwaters, so as to provide the Tracadie fishermen with a navigable outlet to the gulf of St. Lawrence fishing banks. This important undertaking, were it properly carried out along the lines suggested by the Tracadie board of trade, would provide Tracadie with its own fishing fleet and would undoubtedly mean the opening in the very near future of a large fish processing plant in that thriving village. As yet nothing is being done by our federal government.

Last summer I witnessed a spectacle which I would have liked the Minister of Public Works (Mr. Fournier) and the Minister of Fisheries to view for themselves. I happened to be at Miscou Point one afternoon as the fishermen were hauling their boats ashore. Hardship and brawn were the natural qualificatives which came to my mind as I watched these hardy Miscou fishermen straining, with the assistance of a homemade winch, to haul those heavy brine-soaked boats ashore. There is no wharf, no breakwater at Miscou Point. Yet within a few hundred yards from where I stood I was shown a spot locally known as Lake Fry which, with a little dredging, would provide a navigable entrance and thus afford a natural shelter at which the fleet could safely anchor. A somewhat similar situation obtains at Island River on Shippigan island, where lack of dredging deprives the local fishermen of another safe and natural haven for their boats.

Then if we proceed up shore we come to Maisonnette, another important fishing village of our county. There also we meet with another very discouraging situation for our fishermen because of the lack of a proper wharf at which to tie their numerous fishing boats safely. There is hardly one storm of any consequence in which several of their boats are not seriously damaged on the shore. Is it any wonder that, with local situations

such as these prevailing in the best and most productive fishing county of New Brunswick, our boys abandon our fishing villages to seek an easier life somewhere else?

We all deplore the exodus of our young boys from the farms of Gloucester county. In so far as agriculture is concerned, we are passing through a real crisis. There are far too many abandoned farms in my county. A few years ago many of our good people raised their own vegetables, potatoes and turnips, grain and hay in sufficient quantities to feed their cows, hogs and hens, but now they go to the general store to purchase canned milk, potatoes, eggs and vegetables. This is a serious situation, and before long I fear we may experience the same slump in our fishing industry unless something is done by our federal government to encourage the sons of our fishermen to follow their fathers' calling and take to the open sea.

Another example of neglect on the part of our federal government is to be found in the village of Blue Cove. It is also an important and strategically located fishing centre. A number of companies consider Blue Cove as the real spot for the establishment of important fish processing plants. Along these shores herring and cod are especially plentiful. The lack of proper wharf facilities have so far prevented any major fishing development there. Oh, yes, Blue Cove has a wharf or breakwater. I do not know under what classification the Department of Public Works has listed the structure it erected at Blue Cove in 1929 or it might have been on the eve of the 1930 election, in apparent fulfilment of a promise made by Liberal politicians from time immemorial. It is quite a substantial structure, but it is not linked with the shore. By actual measurement the so-called Blue Cove wharf is exactly 750 feet from the shore at high tide, and 650 feet therefrom at low tide. Hon. gentlemen can realize the practical value of such a freak in public works. When you are on it, you need a boat to get ashore; and when fishing boats are moored thereto and a storm suddenly arises, you cannot reach this unfinished symphony, even with a boat, to salvage the fishing boats. I greatly doubt whether another such masterpiece exists in Canada, with the exception of course of Beresford, another fishing village in my own county of Gloucester where we were also gratified—by a Liberal administration, of course—with a similar anomaly of about the same vintage and uselessness as the Blue Cove wharf.

In order to bring these anomalies clearly to the attention of the Minister of Public Works (Mr. Fournier) and the Minister of Fisheries (Mr. Sinclair)—because I do not expect the hon. gentleman will ever visit Blue Cove in the county of Gloucester—I have had enlargements made of photographs of the Blue Cove so-called wharf. I am sorry the Minister of Public Works is not here now because I wanted the permission of the Speaker to send the enlargements over to him, but I will do it later. I wish I could put them in *Hansard*, but unfortunately I cannot do so. I know that photographs are perfectly admissible in court as the best evidence. I therefore hope I am in order in sending them across the house to the Minister of Fisheries and to the Minister of Public Works. With these exhibits of best evidence in hand, surely the ministers will realize that it is high time the fishermen of Blue Cove and Beresford were given more humane and equitable treatment, and that those two unfinished, useless and costly structures were linked with the shore, as I hope they soon will be.

An hon. Member: The Minister of Public Works is coming into the chamber now.

Mr. Robichaud: These are but a few of the most pressing needs of the fishermen of my constituency. It is not my intention, nor will time permit me today, to catalogue all the undertakings which the county of Gloucester deserves and expects from the federal Department of Public Works. Gloucester county has been the orphan child of the present federal administration. This is precisely one of the main reasons why our people indicated, by their votes at the May by-election, that it was time for a change—not the change advocated on Friday, I think it was, by the hon. member for St. Mary (Mr. Dupuis), but a real change this time. There was then, and still is, in this large county of ours which stands as the headpiece of the province of New Brunswick, between the mighty waters of the gulf of St. Lawrence on one side and the majesty of the baie de Chaleur on the other, a prevailing strong current of public opinion opposed to the present federal government because we have not received our just share in the distribution of public moneys. I was elected to the House of Commons in order that the voice of Gloucester would once again be heard, to further the interests of my constituents, to make their needs known to the government, and to appeal for fair and equitable treatment for our large county of Gloucester.

Before concluding my remarks on the question of fisheries, may I again stress the necessity of providing fishermen with some form of remuneration for losses sustained through storms. I am informed that a plan is now under advisement by the Department of

Fisheries to establish a permanent program of insurance as well as loans—interest free, I hope—to storm-stricken fishermen. May I advocate the elaboration of a system following the broad outline of the Prairie Farm Assistance Act which has proved to be highly beneficial to western farmers. I am also in favour of extending the plan now under study so as to embrace some kind of cheap contributory insurance not alone on the fishing equipment but on the lives of our fishermen as well. After all, there is in my submission no more hazardous occupation than that of those hardy and courageous toilers of the sea who risk everything and face the ever-recurring dangers of storm and sea in order to develop the fishing grounds of Canada's Atlantic and Pacific coasts, which are recognized as the richest in the world. Hence special consideration should be given by our government to the welfare of Canada's fishermen; and a protective scheme of assistance and insurance is indeed long past due.

In the course of my remarks I have endeavoured to state the position of the province of New Brunswick with reference to the proposed Yarmouth-Bar Harbor, Maine, ferry service. I have also stressed the detrimental effects of the loss of British markets for our unmanufactured wood. Several aspects of our Gloucester county fisheries have been underlined with a view to obtaining more protection and more encouragement for our fishermen.

Before concluding, may I express the hope that my observations will receive the consideration which the people of my native province of New Brunswick and my own constituents are justified in expecting from the departments concerned.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I wish to take this opportunity to say a few words with respect to what I think might be a misunderstanding as to the relationship between the Social Credit movement in this country and other political parties. Before doing so, may I say that I was a bit disappointed in the apparent timidity with which this present debate started. I refer particularly to the speech of the Leader of the Opposition (Mr. Drew) and the reply given to him by the Prime Minister (Mr. St. Laurent). We had felt, and perhaps justifiably, that this was a pre-election session. It still may be a pre-election session. I think most of us felt that perhaps there would be a good deal of fireworks, and that the first people to start the fireworks would be the leader of the official opposition and the Prime Minister in defence of his government. Before I left home many people expressed to me the opinion that we might expect a fairly lively pre-election session. Let us hope that it will get more lively as the days go by.

An hon. Member: What are you going to do about it?

Mr. Hansell: I do not know that I can contribute a great deal to the liveliness of the present debate. After all I am perhaps small fry sitting on the back benches, but that description does not apply to the leader of the official opposition or the Prime Minister of Canada.

An hon. Member: How about your own leader?

Mr. Hansell: If there was any excitement at all, it was when my own leader spoke. As I listened to the Leader of the Opposition and to the Prime Minister I noticed that, after they had finished, both were wearing their suspenders and everything was intact. I felt that perhaps there might even have been an understanding between them to this effect: "If you don't let me down, I won't let you down."

Be that as it may, I want to say a word about the charge which has been levelled at the Social Credit movement for some considerable time. It is a charge that has been levelled at us by writers and by some political observers to the effect that, in reality, we are Conservatives. I noticed that when the hon. member for St. Mary (Mr. Dupuis) spoke the other day he said something similar to that. Referring to the Social Crediters he said, as reported at page 178 of *Hansard*:

> I was told that a large number of Social Credit supporters were only disguised Tories. That is not a good recommendation as far as I am concerned, and there is good proof of it. Considering the matter further, if we look at the new cabinet that has been formed in British Columbia we find many ministers who were at one time prominent members of the Conservative party, so if they are not disguised Tories they are at least converted Tories.

That was said in this House of Commons. I am reminded that the hon. member who said this, while he now sits on the other side of the house, sat behind us when he first came here. Perhaps there is a measure of conversion there.

We have heard observations here and there about this same matter. Very often when newspaper writers are commenting on the record of the Alberta government they like to say that it is really a good, honest Conservative government. What gives rise to that sort of opinion? I think perhaps there may be three main reasons, the first of which is that for the last 17 years, since Social Credit was first represented in the House

of Commons, we have been sitting in opposition with the Tory party in Canada. This is no indication that we are part and parcel of them, but the fact is that often opposition members applaud opposition members. It just seems to be the normal process. Very often amendments and motions of want of confidence are offered, and we vote with the Tories. Perhaps that has added a little fuel to the fire.

Then there is this further basis of comparison, in that we do feel that our relationship with the British commonwealth of nations is very important. Traditionally, of course, the Conservatives take that position. We, too, have tried to stress our absolute allegiance to the British crown. We have that feeling; we hold that belief, and we have not wavered when we have had to come to any decision affecting that loyalty. It may be that that, too, has been a factor of similarity from which people have drawn certain conclusions.

Then the third point, of course, is found in the recent political trends. I refer of course to the British Columbia election and the fact that Mr. Bennett, a one-time member of the Conservative party, came over to the Social Credit ranks, is now premier of the province and is evidently doing a good job. Because a thing of that kind happens is no reason for saying that Social Crediters are, in reality, nothing but Tories. Nothing could be farther from the truth. Let us look at this matter from a safe and sane standpoint. In the first place, while some more or less prominent Conservatives may have come over to our movement in British Columbia, several rather prominent Liberals have also come over to us.

Mr. Johnston: The best of the Liberals come over to us.

Mr. Hansell: Regardless of that, the Social Credit movement in Canada is a new movement. If we are to gain support from the people of this country, from whom is it that we must obtain that support if not from those who have been connected with the other political parties? Any citizen who can be properly described as a loyal citizen must take an interest in the welfare of the country or of the province in which he lives, and it is possible that he might have been active in political affairs. If we are to get support, from where shall we get it? I am saying right now that if our movement grows, as we expect it to grow, more and more Conservatives and Liberals will join us.

Mr. Blackmore: All the intelligent ones.

Mr. Mott: What about the C.C.F.?

Mr. Blackmore: All the intelligent ones.

Mr. Smith (Moose Mountain): You would not have them, eh?

Mr. Hansell: If we do attract to our movement people who have been prominent in other parties, it means only one thing: that is the other political parties have not been able to hold them. That is a self-evident fact.

We have need to reflect upon these things a little more deeply. Recently the Leader of the Opposition (Mr. Drew) made a tour across Canada, upon which occasion he made a number of statements. I am not too much concerned about what he said, but perhaps I should read one or two of his observations because it would seem that he, evidently, is not claiming any relationship between the two parties.

An hon. Member: What about the *Globe and Mail*?

Mr. Hansell: The *Globe and Mail* is an independent paper.

Some hon. Members: Oh, oh.

Mr. Sinnott: A Tory paper.

Mr. Knowles: Just like the Toronto *Star*.

Mr. Hansell: The *Globe and Mail* may have been supporting Conservative policies throughout the years; but if it wishes to print its opinions, we still have a free press. The *Star* has been supporting the Liberal party and its policies for a good many years.

Mr. Fraser: And the socialist party.

Mr. Hansell: And the socialists, too. But if it wishes to express its opinions, we still have a free press. I am not going to hold it against the *Globe and Mail* or the *Star* if occasionally they want to write favourably about the Social Credit movement. According to a press report in the Vancouver *Province*, when the Leader of the Opposition was in Victoria recently a newspaper reporter noted that some Conservatives were joining Social Credit in British Columbia. The reporter then went on to say that Socreds were just Conservatives of a different shade and asked the Leader of the Opposition if he would like to draw a distinction. The article then continues:

> Mr. Drew said that might be difficult because he knew what Conservatives stood for but he had never been able to understand much about Social Credit.

I will not deny that he has not been able to understand Social Credit, but I will observe that for the leader of what is today one of

the major parties in Canada to make an admission like that means that he has not given much thought to it.

Mr. Johnston: Or else he has not the ability.

Mr. Hansell: The hon. member for Bow River (Mr. Johnston) says, "or else he has not the ability." I believe he has the ability. At least he has written a few books and he should be able to read some. If he can read, surely he will not stand up here and say that although he has been in public life the number of years he has he cannot understand some of the rudimentary principles of Social Credit. I claim that Social Credit is not difficult to understand. Where I find the people getting into difficulty is in trying to understand the present monetary system. They simply do not understand it.

The Leader of the Opposition went on to say that any suggestion that the two parties were the same was utter nonsense. I am glad that comes from the lips of the leader of the Progressive Conservative party in Canada. That should settle the thing once and for all. We did not say it; he said it and that should settle it.

An hon. Member: Don't believe everything he says.

Mr. Hansell: I have drawn a number of other conclusions. The Leader of the Opposition during that tour appealed to the people to get back to what he called the two-party system. He referred to other parties, presumably meaning the C.C.F., the Social Credit and perhaps one or two others, as splinter parties. The term "splinter parties" is not original with the Leader of the Opposition, it is a phrase which has been coined. When you analyse that phrase you realize that it does not express what is really meant. A splinter is simply a piece of wood that has been knocked off the main beam. Let us analyse it. Will anyone say—I am now referring to our C.C.F. friends—that the socialists have been splintered off some other party?

An hon. Member: Liberals in a hurry, the Prime Minister said.

An hon. Member: They are certainly off the beam.

Mr. Hansell: Socialism was an idea long before the Liberal party ever appeared in Canada.

An hon. Member: Or the C.C.F.

Mr. Hansell: I am talking about socialism. There have always been socialists. Socialism appeared in the political realm in Great Britain many years ago. It was not splintered off the main beam at all; it was a new idea that was propounded. The same thing applies to Social Credit. We have not been splintered off something else. Twenty years ago Mr. Aberhart read about the new economics known as Social Credit. He took the idea to his heart and mind and began to teach it. It was a new idea and nobody can say that it was splintered off something else.

An hon. Member: No, but they can say that it is off the beam.

Mr. Hansell: That is playing with words. If my hon. friend is so bright that he wants to play like that, I will let him enjoy himself for a minute.

An hon. Member: Tell him to take the beam out of his eye.

Mr. Hansell: This cry to get back to the two-party system is nothing more or less than the cry of frustrated politicians who feel that their grip is slipping. That is all it is. I believe in a two-party system, but it has to be made up of two parties with distinctive ideas, two parties with basic principles that are opposed one to the other. Surely my hon. friends are not going to say that the thing that distinguishes one party from another is the name or the political machine that runs the party. Surely they are not going to stand up and admit anything of that kind. Surely they must realize that what distinguishes one party from another is the basic principles upon which each party is founded and the objectives at which it is aiming.

I believe in a two-party system because there are only two ways of life. Those two ways of life are gradually emerging today in Canada. I should like to suggest to those who write about splinter parties and to the Leader of the Opposition that Canada is coming back to a two-party system, but it will not necessarily be a system composed of two parties bearing the names Liberal and Progressive Conservative.

An hon. Member: What will it be?

Mr. Hansell: I do not know what the names will be, but I can make a pretty good guess. I have nothing against my friends who sit to my far right. They are good fellows; I like them all and I try to work with them. But I want to say to them that if this country does come back to a two-party system the Progressive Conservative party will not be one of them.

I do not claim to be a prophet or the son of a prophet, but I ask you to look at what happened in Great Britain. Just reminisce for a while. Years ago when I was a boy the two great parties in Great Britain were the

Liberals and the Conservatives. Well, what happened in the process of time? Labour came into the picture with a fairly strong leadership. Their ideas, which embraced certain tenets of socialism, came into the picture. They began to emerge and became stronger until Labour took over the government. Then they went back a little later on and the Conservatives took over the government. We find that the Liberals in that country gradually diminished in numbers, and I am not now comparing the Liberals of Great Britain with the Liberals of Canada or the Conservatives of Great Britain with the Conservatives of this country. All I am saying is that one of the old major parties in England is a forgotten factor today.

The same thing can happen here. The only issue today in England between the parties is whether you want socialism or whether you want private enterprise. That is the issue, and that is going to be the issue as the days go by in Canada. I am not a prophet, but I will make this suggestion that, whether or not I live to see the day, either the C.C.F. will take over the Liberal party or the Liberal party will absorb the C.C.F.

An hon. Member: Never.

An hon. Member: And you will take over the Tories.

Mr. Weir: Now we are going to get it.

Mr. Hansell: That is going to happen and they will emerge as one of the great parties in Canada. If my guess is right the Social Crediters will emerge as the private enterprise advocates in Canada who will put a little effectiveness and freedom into our democratic way of life. That is my guess. You can dispute it if you like.

Mr. Harkness: That is your hope.

Mr. Wylie: You would not know any better anyway.

Mr. Hansell: I would say yes, it is our hope; but in saying it is our hope let me tell my hon. friend that I am not hoping it because I want to sit over on that side of the house or because I want my party to take the reins of government. I am not saying it with that hope. I am saying it with the hope that I may see Canada governed by a party that can govern according to private enterprise principles, keep the people free and at the same time give us an administration that will reflect the true physical facts of life and give the people of Canada the things they want. That is my hope, and I do not care who it is that puts it across.

I was talking about the difference between parties, not in their machinery but in their concepts, and I come once again to the two main parties of this country. The Leader of the Opposition tried to tell the government where they had failed and what they should do with respect to cutting taxation and at the same time keeping up their expenditures. The Prime Minister replied and although he was not fiery and did not wake the dead at all he was logical in presenting the facts to the Leader of the Opposition and asking him, "If you want to cut taxation, where are you going to cut it? If you want to cut expenditures, where are you going to cut them?" He was perfectly right in asking those questions.

As far as I am concerned there is no difference fundamentally in the basic financial policies of the two parties, not a bit of difference. They argue about little things but do not come to grips with the vital errors inherent in the present financial policy of Canada. The old financial system is just like a man with one leg shorter than the other going around in a circle all the time. The Conservatives and the Liberals are arguing with one another about this short-legged chap going around in a circle. What are they arguing? The Liberals say, "Well, of course we know the reason he is going around in a circle is that one leg is shorter than the other." The Conservatives jump up and say, "No, that is not it. The reason he is going around in a circle is that one leg is longer than the other." So they argue that point without coming to grips with the real situation.

The fact of the matter is that there is something wrong with our present financial system. To journalists and others who like to try to say that we Social Crediters of Canada are nothing but Conservatives made over, let me say it is true that in the province of Alberta they have not been able to exercise the Social Credit financial technique. That is true. We admit it. We know it. But let it not be said that if Alberta had the constitutional right to change monetary technique it would not do so. In that respect I want to quote from the report of an interview that the Lethbridge *Herald* had with Premier Manning during the recent provincial election campaign. Mr. Manning was asked whether or not Social Crediters were satisfied that they could not put Social Credit monetary technique into effect in Alberta, and this is the way the reporter wrote up Mr. Manning's reply. I am reading from the edition of the Lethbridge *Herald* of the 19th of July. The article reads as follows:

He dismissed—

The "he" refers to Premier Manning.

—as an "unsound theory" the idea that the Social Credit party no longer held to its original principles

and was concentrating instead on providing a conservative administration. "We are blocked (by federal laws) from instituting our monetary proposals, but that was only one field of Social Credit ideas" he continued. "We have kept the guiding principle that our policies should enhance the freedom and security of the individual." This had been partly accomplished through decentralization —leaving as much power as possible in the hands of local elected bodies. If, however, the constitution were changed to permit Social Credit to put its monetary theories into practise, "we would immediately implement them."

Those are the words of Premier Manning, and in that respect I want to say: Let nobody write or think that if Social Credit should take over the reins of government here they would only follow along the lines of good honest conservative government. If the Social Credit party took over the government of Canada let it be understood they would introduce Social Credit technique. There will not be any argument about that. If you want to go out on the election platform and fight on that ground that will be all right with us.

An hon. Member: That is different from good honest government.

Mr. Wylie: It may come in time and it will worry you if it does.

Mr. Hansell: The fact of the matter is that there is no use dilly-dallying around the outside of the problem. We have to get right at the heart of things and come to grips with the real issues facing the country. The real issue in the country is not to adjust your taxation so as to move it from one class of people to another, or to cut this expenditure here or something else there. We have to recognize—and I must say I have a little sympathy with the present government—that they have pursued certain policies along certain lines which have involved certain expenditures. They will not listen to us on where to get the money, so they have to get it by taxation. If they are to keep up the vast expenditures that are necessary they must get the money from somewhere, and their policy is to get it from taxation. That is all there is to it as far as they are concerned.

I think, too, that when we propose things here—this goes for any member, and certainly we Social Crediters have adhered to it in the past—we should be capable of showing how we would do it. I was noticing the order paper and although I am not permitted to discuss resolutions on the order paper, I see that the Ottawa *Journal* referred to the matter tonight. There are perhaps six and certainly four resolutions on the order paper which ask the government to spend more on social legislation. That is all very well. Of course we cannot put resolutions on the order paper calling for an increase in expenditures, so the way to get around it is to word the thing in such a way that the request is not for an increase in expenditures but that the government give consideration to this or that, and that gets around the technical point. I often wonder what would happen if we revised our parliamentary rules and forms. What would happen if we made them to the effect that when a person puts such resolutions as that on the order paper he should also state where the government would get the money to do the thing proposed? I wonder what kind of resolutions we would get.

Well, we would get the same suggestions as the Liberals and Conservatives are compelled to give: "We will have to get it from the people; we will have to get it from taxation, or we will have to borrow". It is a nice thing to put these resolutions on the order paper but it is another thing to say how we are to accomplish the thing we are after.

An hon. Member: Come on, let's have it.

Mr. Hansell: If you have been here all these years and cannot understand it, well, why should I bother answering the small fry anyway? If we—and I am not talking about ourselves, but anyone—want to appeal to the people to solve this country's problems and make Canada one of the greatest nations on the earth, and it can be made that, then let us go to the people with our proposals as to how we are to do this thing. Right now I think I should read from an editorial on this same subject that appeared recently in the *Western Producer*. The editorial is entitled "Social Security" and I will not read it all but it starts off:

> In some quarters there is growing complaint about the rising cost of welfare measures.

It goes on to comment on those costs and indicates that just so long as we remain within the confines of present financial policy, of course those measures have to be paid for and the money must come from somewhere. Then it says, and this is what I want to read:

> Those whose aim it is to eliminate unnecessary want and poverty will have to raise their sights. They cannot attain their objective if they confine their efforts to redistributing by means of taxation the present national financial income. Taking from the rich to give to the poor will not do the job because under the most equitable system of redistribution there isn't enough money to do it.

That is the thing our friends do not recognize. The editorial continues:

> But there is enough and to spare potentially, if not actually, of goods and services to satisfy every reasonable demand. What is needed is a change in our economic system which will encourage the maximum use of our material and human resources

to the point of optimum production and a reorganization of the method of distribution so that the resulting goods and services are made available to consumers. That implies a drastic revision of finance and banking.

Now, the sooner we recognize that the better it will be for this country. I am going to skip a bit for the sake of brevity; but the editorial refers to the welfare state and here, I think, is a gem:

As one high authority recently stated, "the welfare state as a permanent institution bears witness not to the success of government but to its failure" . . . The ultimate aim should be economic policies which will remove the shackles from production so that it can function to capacity thus providing plenty for all. In the transition period generous welfare measures should be provided to aid all those in need. But the need for welfare legislation is the mark of the age of scarcity and the object should be to move with all possible speed from the age of scarcity to the age of plenty.

Mr. Knowles: Would you do away with welfare legislation?

An hon. Member: Hear, hear.

Mr. Deputy Speaker: May I take advantage of the pause to tell the hon. gentleman that his time has expired.

Mr. Hansell: I would like to answer the hon. gentleman's question if I may. It has always been found that you cannot readily retract or undo something the country has already done; but I would say that the greatest welfare that can come to the people is to leave with them their absolute freedom to act according to their own conscience and will, and see that their incomes are such that they can make available to themselves the highest standard of living the resources of the country can give without interfering with that freedom. That to me is the greatest possible welfare state.

Mr. Ferrie: May I ask the hon. gentleman a question?

Some hon. Members: Order.

Mr. Ferrie: In your statement you said you wanted free enterprise. Would you want to put all the grain in western Canada back on the grain exchange?

Mr. Hansell: I do not regard that as a very clever question. However, I will answer my hon. friend. When we talk of private enterprise we do not say: Now, we are going to scrap all such things as orderly marketing. We certainly would not do that. We believe in orderly marketing because we believe that in a complex world it is necessary. We do not believe that you have to cast away all regulation. We do not believe in substituting liberty for licence.

Mr. Armand Dumas (Villeneuve): I wish to associate myself, Mr. Speaker, with those who have spoken before in conveying my congratulations to the mover (Mr. Deslieres) and seconder (Mr. Schneider) of the address in reply to the speech from the throne. I wish to also convey my congratulations to the Minister of Fisheries (Mr. Sinclair) and the Associate Minister of National Defence (Mr. Campney). Both the hon. members have proven to be able parliamentary assistants, and I believe they will be active and capable ministers.

(Translation):

Mr. Speaker, with all my fellow Canadians from coast to coast, I rejoice at the elevation of His Excellency Archbishop Paul-Emile Léger to the rank of cardinal. The people of Villeneuve county are happy to pay tribute to him and to assure him of their filial devotion.

(Text):

My main purpose in rising this evening is to draw to the attention of this house some of the problems of my constituents. I do so because I sincerely believe that other constituencies in Canada are concerned with the same problems. I welcome the opportunity to discuss the speech from the throne, and desire particularly to refer briefly to one paragraph because I believe Canadians should be interested in it. The paragraph reads:

You will be invited to consider a measure to provide for federal co-operation with the provincial governments in the conservation of the water resources of Canada.

I am sure every right-thinking Canadian will welcome this legislation. I am hopeful also that each and every one of the provincial governments will take steps to provide the legislation, the administrative organization and the educational services necessary for the effective conservation of the water resources. In 1949, without a dissenting voice, the forestry act became law, thus opening the door to federal-provincial teamwork. I hope the same thing will happen in connection with this legislation.

The conservation of our natural resources is actually a problem of prime importance. The conservation of our forests, of our soil, of our water and the preservation of our wildlife are matters of grave concern to every Canadian. The conservation of water is of paramount importance, and it bears a close relationship to the conservation of our forests and our agricultural land. Floods and the shortage of water are too often considered by the public only from the standpoint of immediate inconvenience. Much more publicity will have to reach the public. Hard campaigning for conservation has been carried out by the Canadian Forestry Association and L'Association Forestière Québécoise. Both devoted the main part of their revenues to bringing home to the public, through their

magazines and other publications, the idea of conservation. For this reason they must command greater financial support from all governments, especially from the federal government.

At this point, I should like to congratulate the Minister of Resources and Development (Mr. Winters) for having provided larger grants to the Canadian Forestry Association during the last two years. I hope the minister will see his way clear to recommending to the government that a substantial amount be granted to L'Association Forestière Québécoise. It has been wisely stated that the wealth and health of this world lies in the top six inches of its surface. The conservation of these top six inches is a problem of paramount importance to every nation, in order that its people may be well nourished and survive. If we do everything we can towards the conservation of our forests, our soil and our water, it will be easy to preserve that top six inches for our own good and for the welfare of our children.

There is another paragraph, Mr. Speaker, in the speech from the throne which to my mind is of great importance to all Canadians. This paragraph reads:

> To give effect to recommendations made by the standing committee on banking and commerce at the last session of parliament and to extend its scope your approval will be sought for an amendment to the National Housing Act.

I do not intend to elaborate on this subject, but I hope we will do everything we can to provide all Canadians with adequate housing. I wish to congratulate the government for what it has done in the past; the undertaking was far-reaching and the results have been substantial.

Many other measures will be brought before this house. When they come before us we shall consider them calmly, laying aside and sacrificing if necessary our own interests and ambitions to think only of the interests of Canada and Canadians. Hon. members are aware of the importance of Canadian mining. It is already a great industry, and the future is even more impressive. A new record of production will be attained this year, if not in value at least in volume. Canada occupies first place in world production of asbestos, nickel and platinum. Canada occupies second place in world production of aluminum, cadmium, gold and zinc. It is third in the production of silver, fourth in cobalt, copper and lead. In 1951 the production of these minerals by our Canadian mines was as follows:

Mineral	Production
Asbestos	967,000 tons
Aluminum	445,000 tons
Zinc	334,000 tons
Copper	270,000 tons
Lead	153,000 tons
Nickel	137,000 tons
Cadmium	1,210,000 pounds
Cobalt	947,000 pounds
Silver	24,200,000 ounces
Gold	4,300,000 ounces
Platinum	154,000 ounces

The iron ore production in Canada this year will reach 4·8 million tons and the day is not far off when it will be 25 million tons. The petroleum production of 1951 had a value of $121 million. In 1952 it will reach $149 million, an increase of $28 million. The total value of the mineral production of Canada for 1951 was $1,228 million. In 1939 it was only $475 million. These are extremely impressive figures. During the last 50 years Canada has produced mineral products worth more than $12 billion, and actual mining operations are adding more than $1 billion every year. Every new mine adds to the richness of Canada and of Canadians. The past was great but the future will be greater.

Is Canadian mining going to continue to forge ahead? Will the value of our mineral industry move upward to the $2 billion mark in the near future? In both cases I hope the answer is yes. However, this objective cannot be accomplished without careful planning. We shall need a large amount of risk capital. Our leading operators, our engineers and our miners have, in the past, shown that they were equal to the task. We shall need more of their kind. Our governments, federal and provincial, will have the responsibility of building more roads, more railroads and more airfields in order to facilitate transportation and give access to new mining camps. Over and above that, we shall need people who are imbued with the spirit of determination and perseverance, people who have the vocation of pioneers. We shall need people of the same calibre as those who in the past took up the challenge and met it successfully, thus rewarding Canada with tremendous advantages which are felt in every home in this country.

The Cambrian shield, this V-shaped area covering more than half of Canada, has not yet yielded its full measure of usefulness to Canada and to Canadians. This great storehouse retains untold treasures yet to be found. The success of the past is merely an indication of what may be found in the future.

The mining industry means the steady creation of new wealth for the people of Canada. The earth's most essential minerals are of greatest importance to the entire civilized world. From Newfoundland to British Columbia the industry gives employment to more than 110,000 men. These men are the breadwinners of their families, and counting them with others who are supported directly by mining and who are living in Canadian mining communities, we have a population of over 500,000 people.

Mining communities may seem to bear little relation to the prosperity of eastern and western farmers, but let me say this, Mr. Speaker: 500,000 people represent a large number of mouths to feed and a large number of people to clothe and shelter. Statistics are available to prove that these mining centres buy more than $65 million worth of food each year from the Canadian farmers. What do the mining communities mean to the manufacturing and lumbering industries? The answer is this. Annually the mining communities are buying more than $150 million worth of clothing, shelter, furniture and other articles, and the same communities are buying each year more than $100 million worth of lumber, machinery, electrical equipment and other similar products.

Keeping in mind what I have just said, we will have a look at the gold mining industry and briefly analyse what it means to the economy of this country. Every day close to 50,000 tons of ore-bearing gold, silver and other minerals worth close to half a million dollars are passing through the 59 mills operated by the Canadian gold mines. Every working day close to 22,000 men, the breadwinners of a population of some 130,000 people, are employed in these mines.

There are 30 Canadian gold mining communities and they buy more than $12 million worth of food from Canadian farmers and more than $50 million worth of other services from the manufacturing and the lumbering industries. Each year the gold mines themselves are paying over $70 million in wages and more than $45 million in purchases of all kinds.

Surely an industry such as this must be considered to be of primary importance. I am sure hon. members will agree that an industry which has played so great a part in opening up northern Canada and in building up our national economy must be a matter of interest and concern to all Canadians. History may repeat itself and the gold mining industry may be called upon again—if not this time to save the country from bankruptcy, as it did before—at least to strengthen our national credit.

[Mr. Dumas.]

The gold mining industry is going through a difficult period because the official price set for the precious metal is much too low. Were it not for the Emergency Gold Mining Assistance Act few gold mines would still be operating. This legislation really rescued the declining industry. Many producers owe their continued operation to this assistance. The gold mining communities have also greatly benefited by it. The facts show that the legislation enacted by the government has done a real job. Proposed amendments to the act were outlined in a statement made last week by the Minister of Finance (Mr. Abbott) and they will surely be of great help in assisting the industry to survive.

In this respect, I should like to quote an article which appeared under the title "Help For Gold Mines" in the Ottawa *Journal* of November 26, 1952:

> More aid for marginal gold mines, beginning with 1953, should be welcomed by more than gold miners and owners of gold shares. Gold mining is one of the important industries of this country, supporting many communities, providing work and wages for scores of thousands, providing a profitable market for many allied industries, and undoubtedly a major factor in taking care of our international balances.
>
> During recent years gold mining has suffered grievously through the fact that while operators of the mines have had to meet soaring costs in wages and other needs the world price of gold has remained at a fixed official level.
>
> The help now provided by the government may not meet this situation entirely (the formula of assistance is so complicated a layman cannot understand it) but it is bound to make some difference, and in some instances, the *Journal* is informed by mining men, may make a substantial difference.
>
> The only question that may be fairly asked is: In the light of knowledge by everybody that gold mining has been in jeopardy these past three years, why was this aid not given before?

While the article is good, I think the last paragraph is superfluous. The Emergency Gold Mining Assistance Act was instituted at the beginning of 1948. It has been amended and extended, and has been profitable to the great majority of gold mines.

Many other newspapers had articles commenting favourably upon the proposed amendments to the assistance act. I should like to quote from a letter I received yesterday. It is dated November 28, 1952, addressed to myself, and states:

> Our association wishes to go on record as commending heartily the recent amendment to the gold mines assistance act, under which additional cost-aid has been provided for the hard-pressed gold producers of the country.
>
> Yours very truly,
> Prospectors & Developers Association
> V. R. MacMillan
> President.

I have received many similar letters from people closely connected with the industry. They are all thankful for what is being done by the government to provide additional assistance to the gold mines.

Altogether there is ample evidence that this government is doing much to help the industry. The welfare of the gold mining communities has always been regarded by the government as of very great importance. For this I wish to express my thanks. The fact that the government has definitely stated that increased assistance will be provided is encouraging to the industry and to the residents of the gold mining communities. We are all very thankful.

No government would have made this effort and gone to this expense unless it was firmly convinced that the price of gold was much too low, and unless it had in mind that the situation was indeed a temporary one, that it should be corrected or that it would in time correct itself.

We must not forget this. We are sellers of gold, so we can hardly dictate the price to the buyers. We are not the largest producers, and for this reason we can only more or less influence the market. And, last but not least, the production and sale of gold is very important to our economy. I firmly believe that better days are not too far ahead for the gold mining industry. The future of gold is much better than some of us are inclined to think. I saw in this morning's press that Canada intends to support South Africa's request for a higher price for gold. I congratulate the Canadian government on this logical attitude, and for two reasons. The first is that this is the best way I know of to help the sterling bloc to get back on its feet. The second reason is that it will also be of great assistance to our people generally, and to the gold mines in particular.

There are two ways of helping the other commonwealth countries. The first is to give or lend them billions of dollars which either we will have lost or they will have to repay. The second is to do something that will be beneficial to all of us. In supporting South Africa we will be choosing the second method, which will be the most beneficial to all of us. I believe the choice is obvious.

When the price of gold is where it should be, the industry will take its rightful place in our economy. Instead of being a burden to the taxpayers of this country it will, as it did in the past, contribute generously to the welfare of Canada and its people. For the benefit of those who are afraid that the government is not doing the right thing, or that it is doing too much for the gold mines, I should like to quote a short article from the Rouyn-Noranda *Press* of November 20, 1952. It states:

> In terms of Canada's total budget gold assistance payments are not large. They are not large when compared to the sums paid out to carry other key industries, notably wheat growing, through bad times. They are not large when set against the revenues the federal government derives in corporation and personal income taxes from the industry and those who work in it.

I will ask those who are worried over this question to think twice before objecting to this increased assistance to an industry which needs it so badly. I will repeat what I said at the outset: Let us consider this question calmly, laying aside and, if necessary, sacrificing our personal interests and ambitions, to think only of the betterment of the nation as a whole, which demands everywhere and always that citizens shall be happy and contented with their lot.

Mr. G. T. Fulford (Leeds): Mr. Speaker, in rising to take part in this debate on the speech from the throne one usually performs the perfunctory duty of complimenting the mover and seconder of the address in response to the speech from the throne. In this instance it is no perfunctory duty; it is a genuine pleasure. I can say without hesitation that in my view the hon. member for Brome-Missisquoi (Mr. Deslieres) as mover and the hon. member for Waterloo North (Mr. Schneider) as seconder made the best speeches I have heard on any parallel occasion during the years I have sat in the House of Commons. Certainly their speeches have put to shame many of the more futile efforts of those of us who have sat in the chamber a much longer time.

It was most gratifying to hear in the speech from the throne mention of the findings of the international joint commission in relation to the St. Lawrence seaway.

Recently I had the privilege of addressing a group of citizens of Canton, New York, in a large auditorium which had recently been opened at St. Lawrence university. I tried to deal with this matter from a different angle than is generally used. I did a little research, particularly on the subject of navigational facilities between the great lakes and the sea. I had said that all my life I had heard this referred to as the St. Lawrence deep waterway, and latterly as the St. Lawrence seaway and power development. I found that I spoke better than I knew because the first committee to advance the project was founded in 1902, and that happens to be the very year I was born.

As one delves into the history of the navigational facilities connecting the lakes and the ocean he will be interested to note that

from the beginning Canada has taken the initiative. The first connecting link was around the Lachine rapids and was constructed by the Capuchin Fathers in 1700. Naturally it was only a narrow ditch capable of carrying canoes loaded with furs. Then in 1797 the Northwest Fur Company, a private company, constructed a canal connecting lake Superior with lake Huron. This canal served a most useful purpose for fifteen years, but was completely destroyed by the United States army in the war of 1812.

I shall not bore the house with all the details of this history but shall try to say enough to demonstrate how proud we Canadians ought to be of the work we have undertaken. In the 1820's a private company began and completed a canal connecting lake Erie with lake Ontario. That was no small feat in those days when it is considered that the height of Niagara falls and the drop of the Niagara river had to be taken into account when the canal and locks were built. Later on this canal was taken over by the government of Upper Canada. Previous to that the government of Lower Canada had circumvented the stretch of river between Beauharnois and lake St. Francis. Strangely enough the canal of that day followed closely what is now the Beauharnois canal.

It was not until many years later that the present Soulanges canal, which is used at present for navigational purposes, was built. Then in the 1840's the government of Upper Canada started and completed in stages the Cornwall canal and the Williamsburg canal. Those were finally completed in 1848 and permitted small draught vessels to ply between the upper great lakes and the St. Lawrence river below Montreal.

With the completion of the great Welland canal ships with a draught of 27 feet could be accommodated and the only real bottleneck that exists today is the area from just above Cornwall, Ontario, down to the foot of the Lachine canal. There would be no restrictions upon Canada building a deep waterway in its entirety, as this section would be entirely within Canadian territory.

The section about which we would have to negotiate with the United States begins just above Cornwall and continues to a point just above Cardinal. This is the international section which will have to be developed jointly. Canada can go ahead with the navigational section and the Minister of Transport (Mr. Chevrier) has said that Canada courageously will go ahead. But we must have the co-operation of the United States in order to develop power.

We all know that the Canadian power will be developed by the Hydro Electric Power Commission of Ontario. The international joint commission has given the green light to go ahead, but the matter is still being held up because of uncertainty in the United States as to which authority in the state of New York will be given the right to develop power, whether a federal power authority or a New York state power authority.

In the report of the international joint commission reference was made to the Gut dam; I trust you will not call me to order when I say "Gut dam". The Gut dam was built by Canada at a point between Prescott and Cardinal in order to divert water flowing between two islands to the head of the Cardinal canal and thus eliminate certain dangerously swift currents, and at the same time create a somewhat safer channel. I understand that engineers have estimated that this dam makes as much as eight inches difference in the water level of the upper reaches of the St. Lawrence river, with a somewhat lesser effect in lake Ontario. Not being an engineer I cannot give an expert opinion, but I venture to say that it does not make half an inch difference. I base that statement upon evidence I heard last summer at a hearing of the international joint commission at Ogdensburg, New York. At that time the treasurer of the Ogdensburg Trust Company stated that he owned land on the United States side both below and above the dam and he found that the height of water on both sides of the dam was exactly the same. In other words the water below the dam on the United States side was as high as the water above the dam. We who live in that part of the country know that on the United States side the dam is not visible. The shore line simply seems to be a continuation of the New York state side of the river. To me that evidence showed conclusively that the Gut dam made no difference. However, the international joint commission recommended that Canada should destroy this dam and work is now in progress to carry out that recommendation.

With Canada showing its good faith, I think it is only reasonable to ask our friends to the south to give proof of their good neighbour policy toward us by not holding up any longer than is necessary the action that will determine which body will be given the authority to proceed with the development of the power, whether it be the federal power authority or the New York state power authority. I am sure that every one of us in this house was most alarmed when we read last week in the press of Canada that the whole project may be held up eighteen months or more while Washington decides which authority will be granted the right to develop the power. Surely it is not asking

too much of our great neighbours to the south to ask them to co-operate with us as we have co-operated with them by carrying out the order of the international joint commission.

I should like to suggest that along the connecting waters of the St. Lawrence seaway project certain of the larger ports be designated as harbours under the Canada Shipping Act. I make this suggestion so that these harbours will have the necessary authority to regulate the course and speed of vessels plying up and down the narrow channels. Naturally I have special reference to my own town of Brockville. Recently large ships, both domestic and foreign, have been increasing their speed and the wash from these ships is constituting a menace not only to small craft owners who leave their craft in their boathouses but also and particularly to people who are out on the water in small craft such as rowboats, boats with outboard motors or even canoes. Sometimes in recent years we have seen waves come in that would almost make one think they were rollers coming off a vast ocean.

It has been stated that some years ago when the port of Albany, New York, was opened as the head of the seaway from New York city up the Hudson river one of the large steamship lines proceeded to send an ocean vessel up to Albany. That was well before the war, and that particular line is still settling lawsuits for the damage that was done to small craft, docks, boathouses and other buildings along the Hudson river. Certainly we do not want to see that happen when the St. Lawrence seaway is built. A certain amount of damage is being caused now, and I think it could be avoided if the necessary authority were given to the ports along the various streams connecting the great lakes and along the St. Lawrence connecting lake Ontario with the ocean.

I also should like—and I have mentioned this in the house before—to call to the attention of the Minister of Transport (Mr. Chevrier) the advisability of establishing a weather station somewhere along the upper reaches of the St. Lawrence river. At present the weather prophesying facilities in this district are unreliable. We do not have much fog in the Thousand Islands region but when we do they are bad fogs. Eventually a weather station will have to be set up somewhere between Cornwall and Kingston, and I should like to recommend that it be established as soon as possible. It must be done when navigation facilities for larger vessels are completed, and if it were done now it would be an invaluable aid to farmers in prophesying how severe a frost will be.

We are told to look at the Ottawa valley weather reports, that they will tell us what we can expect. That is not so, and I will give the house a concrete example. Last night, according to the official bulletins in the elevators in the parliament buildings, the temperature in Ottawa reached a minimum of 4 degrees above zero which would be more than enough to create a navigational hazard on the St. Lawrence. I understand that the lowest temperature reached in Brockville was 14 and that the lowest in Montreal was 13, which is not enough to cause a navigational hazard. Therefore in spite of the fact that Ottawa is so near the St. Lawrence valley the fact remains that we are in a different weather belt, and I believe our request for a weather station should be given consideration with the least possible delay.

On motion of Mr. Fulford the debate was adjourned.

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

HOUSE OF COMMONS

Tuesday, December 2, 1952

The house met at 2.30 p.m.

GRAIN

INDEBTEDNESS ON ADVANCES

Hon. Robert H. Winters (Minister of Resources and Development): I should like to table a list of apportionments and adjustments of indebtedness on advances of seed grain.

QUOTAS ON COARSE GRAINS

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to ask a question of the Minister of Trade and Commerce. Will coarse grain quotas be raised to fifteen bushels per acre in the same manner as wheat quotas or will they continue to be increased at a slower rate? Is it expected that quotas can be raised sufficiently to enable producers to market all grain before the end of the present crop year?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the hon. member was good enough to let me have notice of his question. From approximately December 1, quota policy will be more definitely related to equalizing delivery opportunity amongst producers and as between grains. It must be remembered that producers will market some two bushels of wheat for every bushel of oats and barley and this relationship should be more or less preserved throughout the crop year. Up to November 20, marketing of oats and barley amounted to 94 million bushels as compared with 192 million bushels of wheat. Deliveries to date therefore are not seriously out of line with the volume of wheat and coarse grains which will be delivered during the crop year. Actually barley deliveries in per cent of expected marketings during the crop year are ahead of wheat, owing in part to the provision that a producer can market a car lot of barley accepted for malting or other industrial purposes over and above established quotas. Oats deliveries, in relation to prospective marketing, are running behind wheat and barley, and this is one of the factors which will be corrected as the crop year progresses.

It will be the policy to keep deliveries of wheat, oats and barley running in proper relationship to expected marketings of each grain and this factor will be reflected in the rate at which delivery quotas are increased. This is the important consideration rather than the actual delivery quotas established. In general, however, the board will work towards 15 bushel quotas on oats and barley. There are certain areas in the west where oats and barley are relatively more important. These specialized areas will be given consideration in connection with coarse grain delivery quotas.

In reply to the hon. member's second question, may I say that although sales, export clearances and shipments out of country elevators are proceeding at a rate in excess of last year's accomplishments, it is difficult to forecast at this stage of the season's operations the total quantity of grain it will be possible to receive into storage facilities from producers during the crop year. If, for storage reasons, it is not possible to take delivery of all the grains which producers wish to market, the Canadian wheat board will endeavour to distribute the excess as equitably as possible amongst all producers. The intent is maximum marketings, maximum transportation, and maximum sales.

TRANSFERS TO 1952-53 POOLS

On the orders of the day:

Mr. P. E. Wright (Melfort): I wish to direct a further question to the Minister of Trade and Commerce. Can the minister indicate to the house the amount of wheat and coarse grains that were transferred from the 1951-52 crop pool to the 1952-53 pool and the prices at which such transfers were made?

Right Hon. C. D. Howe (Minister of Trade and Commerce): In answer to the hon. member for Melfort's question, the orders in council covering the transfer of the 1951-52 coarse grain pools to the respective 1952-53 pools are order in council P.C. 4304 of October 15, 1952, in the case of oats, and P.C. 4331 of October 23 in the case of barley. These two orders in council were included in the group of statutory orders and regulations tabled in the house on November 13. P.C. 4508 of November 19 covers the transfer of the 1951-52 wheat pool to the 1952-53 pool. This order in council will be included in the group of statutory orders and regulations to be tabled on December 11 next in accordance with the customary procedure. The quantity of wheat transferred was 103,208,409 bushels

and 16 pounds valued at $169,853,350.92. I might say that 222 grades of wheat were involved in the transfer.

RAILWAY CROSSINGS

RAITH, ONTARIO—REQUEST FOR PROTECTION

On the orders of the day:

Mr. Daniel McIvor (Fort William): I should like to ask the Minister of Transport a question. At the town of Raith children have difficulty crossing the railway track in going to school. When will it be possible for the people there to have a crossing so that settlers can get their goods across, children can be protected and others can cross in safety?

Hon. Lionel Chevrier (Minister of Transport): The hon. member kindly told me a few moments ago that he was going to ask this question. I understand that an application has been made to the board of transport commissioners who have the matter under investigation, and I am hopeful that the decision which they will hand down may be satisfactory to all parties concerned.

Mr. McIvor: Thank you.

INDIAN AFFAIRS

CONSTRUCTION OF VETERANS' HOMES

On the orders of the day:

Mr. A. J. Brooks (Royal): I should like to direct a question to the Minister of Citizenship and Immigration. Have complaints been received from Indian veterans with reference to the poor and incomplete construction of Indian veterans' homes at Micmac, Nova Scotia, and Big Cove, New Brunswick? If so, will an effort be made to have this situation corrected at once before more severe winter weather sets in?

Hon. W. E. Harris (Minister of Citizenship and Immigration): The hon. member was kind enough to give me notice a few hours ago, but in the meantime I have not been able to get in touch with the agency concerned, so my answer will have to be based on the information available in Ottawa. We have not received any complaints from Indian veterans on the reserves mentioned. On the other hand, I did receive a personal letter about the 20th of last month from an individual who is not resident in the maritimes about conditions there. In answering him I promised an investigation and ordered it, I believe on the 22nd of November. I have not had a report but I will ask for it right away.

[Mr. Howe.]

HOGS

INQUIRY AS TO PRICE CUT

On the orders of the day:

Mr. William Bryce (Selkirk): I had intended to direct a question to the Minister of Agriculture but perhaps his parliamentary assistant will take note of it. In view of the minister's announcement yesterday regarding the lifting of the United States embargo, will the minister give further consideration to the cut in hog prices to take effect on December 31? Perhaps this cut could be postponed to March 1 or later.

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): I will take note of the hon. member's question and an answer will be given in due course.

COBALT

REPORTED CONTRACT WITH UNITED STATES—ARRANGEMENTS FOR PURCHASE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to direct a question to the Minister of Defence Production. Is the minister prepared to comment on press reports from Washington which allege that Silver Miller Mines Limited of Toronto agreed to pay $835,000 to a former assistant secretary of defence at Washington to promote a contract with the United States government for the purchase of cobalt from this firm? Would the minister care to tell the house whether the Canadian government is purchasing cobalt from this firm, and if so, under what terms?

Right Hon. C. D. Howe (Minister of Defence Production): Arrangements for the purchase of cobalt for defence purposes were announced in the house on February 15, 1951, and a revision of the plan was announced on December 28, 1951. A public announcement was made at both times. The government agency is purchasing cobalt from any source that offers cobalt to the smelter on the terms of those two announcements. The Silver Miller situation is one that involves certain Canadian citizens and a procurement agency of the government of the United States. We have no knowledge of the circumstances and are not particularly interested.

The situation could have been avoided if the procurement agency of the United States had followed the arrangement we have suggested to it, and which has been followed generally, that any purchase contract for metal in Canada be cleared through the Department of Defence Production before the contract is closed.

Mr. Knowles: Is the present price of $2 a pound, which appears in the press reports,

the price that was fixed in the revised arrangements made on December 28, 1951?

Mr. Howe: I am sorry to say my memory is not that good. I do not remember whether the price is $2. However, I know my hon. friend is very good on research, and if he will look up the statement I made in the house on the date mentioned he will find the arrangement set out in great detail.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, December 1, consideration of the motion of Mr. J. L. Deslieres 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. G. T. Fulford (Leeds): Mr. Speaker, last night when I adjourned the debate I had been dealing with the particular phase of the speech from the throne having to do with the St. Lawrence seaway. Today it is my intention to deal with matters of an entirely different nature. First of all, I am sure that we all wish the Prime Minister (Mr. St. Laurent) and the Minister of Finance (Mr. Abbott) well in their discussions at the economic conference between the various commonwealth nations now being held in London. I know furthermore that we regret that the Minister of Trade and Commerce could not join the Canadian delegation that is over there at the present time, but at the same time I can think of no better person who could have been left behind to head the government during the absence of the Prime Minister.

We all feel that probably at the root of the trouble so far as commonwealth trade and world trade generally are concerned is the peculiar and unfortunate position of the pound. Certainly everyone would like to see some method devised whereby convertibility of the pound and Canadian and United States dollars could be brought about. The best way of bringing this about of course is to increase our trade with the United Kingdom and other parts of the commonwealth, but we in Canada have come to a place where I doubt very much whether our dairy farmers and our beef and hog producers would be satisfied if they were dependent on the former contracts with the United Kingdom.

Mr. Speaker, I would like to put on record some figures which I obtained from the Department of Trade and Commerce. I might say that these figures are as of November 18, 1952. The prices of products of countries other than Canada are those at present in effect and in terms of the Canadian equivalent in cents per pound f.o.b. the country of origin for approximately the same quality.

We will take bacon. The price of bacon in Denmark and in Holland is 30·32 cents per pound. In Canada it is 36 cents per pound. For beef, New Zealand top quality, average 14 cents; medium, average 12·5 cents; and cows, average 9·8 cents per pound. Argentine prices are presently being negotiated but the asking price for all meat in the Argentine is 18·7 cents. The Canadian prices are: good, average 44 cents; commercial, average 42 cents; cows, average 36 cents. Then we go to butter. In Australia the price is 37·8 cents; New Zealand, 37·8 cents; in Denmark which is a little closer to the British market, and that makes up the price differential, 40·7 cents; and the Canadian price is 62 cents. With respect to cheese, Australia and New Zealand both have the same price, 21·2 cents per pound. In Canada the price is 32 cents per pound.

I have one more set of figures I should like to place on the record. These are supplied by the Department of Agriculture and they have to do with eggs. The figures quoted per dozen are the mid-September prices, 1952: Australia, 52·2 cents per dozen; Ireland, 54·2 cents per dozen; and Denmark 46·4 cents per dozen. Grade A large eggs were selling in Montreal at that time for 61 cents per dozen.

Now, Mr. Speaker, it does not take much argument on my part to show that we cannot blast our way into such markets. Quite a famous Conservative leader some twenty years ago—

An hon. Member: What was his name?

Mr. Fulford: Well, we do not speak ill of the dead, and he was a great Canadian.

An hon. Member: We heard yesterday about the dead.

Mr. Fulford: It does not take much vision to see that it would not be to Canada's advantage at this time to try to blast our way into the agricultural markets of Great Britain with produce from the Canadian farms. One important thing that those opposite are always trying to say is that we are losing our markets and that we should have more markets in the United Kingdom. Well, we should have more markets in the United Kingdom, but it is an axiom of trade that in order to sell you have got to buy. It is a strange paradox that when we do purchase in quantity from the United Kingdom our

friends opposite are the first to raise their voices in protest, and in particular I will mention the textile trade.

Some hon. Members: Hear, hear.

Mr. Fulford: When we try to increase our trade there we are told that we should not do it and that we are destroying Canadian industry. I cannot imagine a more inconsistent policy.

Also, our friends opposite are wont to criticize. That is their privilege and, as a matter of fact, it is the duty of all opposition parties to criticize; but I feel that they leave uncriticized those things which should be criticized and they criticize those things which should be uncriticized and there is no wisdom in them.

We hear so much in this house and also in the press of Canada about our surpluses—surpluses which have created nothing short of phenomenal decreases in our public debt. These attacks on the surpluses are attacks on something for which the rest of the world admires and envies us, there is no doubt about that.

If the productive capacity of this country is such that it produces more revenue than can be anticipated when the budget is drawn up, then surely the Minister of Finance cannot be criticized but is to be complimented. Our policies are such that we are making Canada more prosperous, and Canada is more prosperous than could possibly have been originally anticipated. Had our gross national product fallen and had we shown annual deficits as are shown in practically all of the governments of the rest of the world, and had our national debt increased since the war, then our friends opposite would have had plenty to criticize and to criticize rightly. I can imagine the hue and cry that would have been set up. It would have drowned out every other noise in the land.

I would like to read now figures to show just how our national debt has decreased since the war and what the savings to the taxpayers of Canada are. In 1938, before world war II—and I am using the North American figure for billions—our national debt stood at $4,336 million. That increased during world war II to reach its high point in 1945 with a total of $17,479 million. By 1951 it had been reduced to $15,342 million, a reduction of more than $2 billion in six years. At the rate of interest we are now paying, the interest on $2 billion repaid in the last six years would have amounted to $1½ million per week, with which our national budget is no longer burdened. If we have to contemplate deficit spending in times of emergency most people would feel that we should reduce our outstanding obligations in times of prosperity.

Listening to our friends opposite and the press representatives in the country, one would imagine that we Liberals derive some sort of diabolical pleasure from raising taxes. Well, certainly, no one enjoys paying taxes. I am sure that cabinet ministers do not like taxes or paying them any more than private members of parliament, or party followers, or the public generally—or even that little fellow the Montreal *Gazette* depicts every day, a little fellow called "You know who". None of us like to pay taxes. I certainly have no reason personally to love the income tax but I am unlike—for those of you who saw the play "You can't take it with you"—Grandpa Vanderhoof, who asked the tax collector: "Why should I pay income taxes; what do I get out of it?" We realize that these taxes have to be paid in order to keep Canada in a sound financial position, and at the same time to meet the foreign obligations that we have contracted; to pay our share in trying to keep the world at peace, and in order to keep Soviet Russia from breaking its bonds, thereby throwing us all into the most terrible holocaust that human imagination could conceive. That is why taxes are high. Certainly, I would be the first to condemn any government that wilfully wasted taxes or wilfully raised them when they were not needed. To say that our taxes are destroying private industry is sheer nonsense.

Our expansion and development since the end of the war is advancing beyond our most exaggerated expectations. Canada is now considered the safest and best investment market in the world. Evidence of this is seen in the flood of United States dollars, Swiss francs and other hard currencies into our markets, making the Canadian dollar the highest in the world.

I should like to read an article which appeared in the Brockville *Recorder and Times* as early as September 30, 1952. It is entitled "The *Economist*"—that is the London *Economist*—"examines Canada's horizons." It reads as follows:

> The boom in Canada seems to have slackened temporarily. Taxes admittedly are high. There is some spotty unemployment, and the people of New Brunswick recently indicated in some measure their protest against Liberal fiscal policies. Seen from "inside" Canada the view of the future may be a trifle unclear. What of the view of Canada's future as seen from "outside"?
>
> The London *Economist*, one of Britain's most respected newspapers looked editorially at Canada's horizons, recently. In part, this is what the *Economist* saw: "Already occupied with a load of work that less vigorous countries might stretch over a generation, Canada has the faith, and pro-

fesses to have the capacity to proceed with the gigantic St. Lawrence seaway scheme and to disregard Washington's refusal to participate."

"It would certainly be unwise to reach the conclusion that too much is being attempted too quickly. . . . The rise in both industrial and agricultural productivity since the war has been so astonishing that Canada may well be able to provide guns, factories and butter all at the same time."

Perhaps of even more interest to Canadians than this optimistic examination of Canada by the *Economist* is the principal reason which the London newspaper cites as being responsible for our situation today. The reason: "Canada is not merely favoured with abundant material resources. It has had the good sense—or the good luck—to provide itself with good government. Its economic affairs have been handled with a skill unexampled throughout the world. It has found in the short space of two or three years, a degree of self-confidence that is the proper mark of a country entering upon the early stages of economic maturity."

Here the Brockville *Recorder* inserts its own observations.

Here then is some pretty solid food for thought for those Canadians who cry "it's time for a change in Ottawa", but who don't know for sure just what the change would involve. Looking before leaping is sound practice.

Now, Mr. Speaker, it is not my intention to agree with my hon. friend the member for St. Mary (Mr. Dupuis), when he suggested that our friends opposite change their policies, their tactics and their leadership. Oh, no; I think that these same policies, tactics and leadership have done much for the cause of Liberalism in Canada. I know that the Liberals are satisfied with this government, and I am fairly confident that the majority of the people in Canada feel the same way. We must never allow ourselves to become complacent or self-satisfied. We must ever strive to improve our standard of living on the farm, in the factory, in the office and in the home. I feel that the speech from the throne contains much that points towards this goal.

Mr. Howard C. Green (Vancouver-Quadra): In discussing the speech from the throne this afternoon, Mr. Speaker, I intend to deal primarily with questions raised in that speech which are of particular interest to the Pacific coast. Since there are several of these subjects, I do not intend to take any time on preliminaries but rather to get right down to my criticisms and suggestions with regard to these questions which are of such importance to us on the west coast.

The first subject, of course, is that of the commonwealth conference now under way in England. In particular, we are interested in commonwealth trade. We hope, in fact we demand, that from this commonwealth conference there will come an improvement in commonwealth trade. It has always been of great importance to the west coast of Canada, and for many months now we have been looking forward to the conference hoping for favourable results. I have here an editorial from the Vancouver *Sun*, published as long ago as July 14 of this year. It is entitled "Trade Revival Urgent." It opens with these words:

The coming meeting of commonwealth finance ministers in London will be momentous for Canada and this country's relations with its sister realms in the commonwealth.

Something must be done quickly to perk up trade both ways between Canada and Britain and other parts of the sterling area.

British Columbia is deeply concerned. We must regain our British market for lumber, fruit, salmon and other commodities.

The statements in that editorial are quite accurate. I propose to mention three of those commodities. First, I shall mention lumber. A few months ago one of our leading lumbermen said that the United Kingdom market for lumber is "B.C.'s old faithful." That, of course, is true. This year that market will be about 20 per cent lower than it was last year, and the same is expected to be the case for the Australian, New Zealand and South African lumber markets. I am told on good authority that it is likely that the Canadian west coast will export about 500 million feet less of lumber than was the case in the year 1951. In addition to the cuts in these exports, we are meeting increasing competition from the Baltic countries. That situation is becoming serious in each one of the markets to which I have referred.

We believe that the prospect for 1953 is no better. The word has come out that during that year the market for British Columbia lumber in the United Kingdom, for example, will be held down to about one half of the pre-war market. That, of course, is an extremely serious situation and it cannot be blamed in any way on the lumbermen themselves. They have first-class selling arrangements. I do not believe that there are any more efficient exporters in any line in Canada than the lumber exporters on the west coast.

So much for lumber. The situation with regard to canned salmon is also extremely serious. Last summer our warehouses were full of canned salmon from the 1951 pack. Since then there has been the 1952 pack, and we are completely out of the United Kingdom market. In 1950 and 1951 that market purchased over $6 million worth of canned salmon, but in 1952 it is purchasing nothing at all.

I have before me the annual report of our largest fishing company, namely British Columbia Packers, Limited. It is dated July 11 of this year, and we find this reference by the president to the prospects for exporting canned salmon:

The combination of a near record pack of canned salmon in the 1951 season and a very much reduced

marketing area has created a difficult sales problem. There has been further impairment in the dollar exchange position of such important former markets as South Africa, Australia and New Zealand. All these countries still prohibit the import of British Columbia salmon. Recently an even greater blow was received when the British Ministry of Food reluctantly advised that it would be unable to purchase canned salmon from the 1952 pack. This important buyer has constituted the largest single export outlet for canned salmon over the past three years, having taken from the industry 410,000 cases in 1949, 227,000 cases in 1950 and 290,000 cases in 1951.

Concerning the loss of the United Kingdom market for salmon, resolutions have also been passed by the Vancouver, New Westminster and district trades and labour council, a responsible body in our province. The same position has been taken by the fisheries council of Canada. They are a nation-wide organization with headquarters in Ottawa. In their publication of October 3 I find these words:

We hear about the 40 million pounds of canned pork now on hand—but there is more canned salmon and canned sardines looking for a market right now than there is canned pork . . .

The Canadian fishing industry has always been dependent to a large extent on its export market. What has happened to many of these markets is now an old story—lack of dollars on the part of our old customers. With government assuming steadily increasing responsibility for international trade, the industry has no alternative but to look to government for assistance in the solution of these problems.

Then the report goes on:

It is to be hoped that the Canadian government realizes fully the gravity of the present situation. Something must be done to restore our traditional markets if the fishing industry is to continue to provide a livelihood for the numbers of persons now dependent on it.

I believe that the fishing industry has asked the government for help similar to that given to the pork producer.

Then our other British Columbia product which is in great trouble having regard to commonwealth markets is the apple. We have been shut out of all the commonwealth markets for apples.

Mr. Speaker, I deplore the smugness of the government on this question of commonwealth trade. During the last election in 1949 the present Minister of Trade and Commerce made a speech in Vancouver and he blurted out this statement in the middle of his speech.

Mr. Howe: I never blurt. On a question of privilege, Mr. Speaker, may I say that I do not blurt.

Mr. Green: The minister says "I never blurt." I say that he does.

Mr. Howe: Why does the hon. member not be a gentleman and say "the minister said"?

[Mr. Green.]

Mr. Green: All right. The minister said:

Anyone who suggests we are losing our British markets is talking nonsense.

Mr. Howe: Right.

Mr. Green: He says "right" today, and he still feels the same way. I say that he is too smug. That is what is the trouble with him in connection with that subject.

Mr. Howe: The hon. member is expressing my views as to himself.

Mr. Green: I did not hear that remark. Just a few months ago in this very house we had a resolution introduced by the Leader of the Opposition (Mr. Drew) which suggested as follows:

. . . that the government should consider the advisability of taking steps to convene at the earliest possible date a conference of the nations of the British commonwealth to seek means by which there may be convertibility of commonwealth currencies and to explore all the possibilities for restoring and enlarging those traditional markets upon which our prosperity so largely depends.

That resolution was, of course, voted down by the government majority in this house. Then this fall the Minister of Finance (Mr. Abbott) came to Vancouver and made a speech. He did some blurting as well. In that speech he advised us to produce more and to be more efficient and thus all our problems would be solved. I have here an article written, shortly after that speech, by Roy W. Brown, who without a doubt is the dean of our newspaper editorial writers. It is headed "B.C. Merely First to Suffer"; "Abbott Overlooked Dropping Exports"; and Mr. Brown had this to say:

Hon. Douglas Abbott's clear and excellent speech in Vancouver Monday did not bring much satisfaction to leading businessmen of Vancouver who are exporters of natural products.

Mr. Abbott admitted the problem posed against timber and salmon shipments contained in the exchange premium, but his smug comment did not promise relief.

Instead, he offered some advice, oft-repeated during recent months by learned Easterners to the effect that "this means that efficiency and low net cost of production are vital to your prosperity."

It has come to be the fashion to direct not a little of what one may call high-class kidding to the B.C. manufacturing scene. Actually, what it seems to boil down to is that because our labour costs are higher than in centres on the Atlantic coast, then we must therefore be inefficient. I challenge this as incorrect and altogether a wrong picture.

Real efficiency has reached a high pitch, especially in most of the top operations in B.C. timber and fishing. What we are really suffering from is a restriction of markets.

In the loss of markets, we are just feeling the pinch about a year or 15 months sooner than central Canada.

That article appeared in the Vancouver *Sun* which is a supporter of this government; and just about two weeks ago the *Sun* had

a final comment concerning this particular situation and the attitude of the government to it, which is as follows. I am now reading from the issue of November 15:

> To British Columbia producers at the moment the stirring challenge of Mr. Abbott to produce more has a slightly hollow ring because the producers of this province face shrinking markets for their most important primary product, lumber, and for other things beside. To pleas for help in opening new markets or for bolstering the old, weakening markets, the government—if not deaf—is at least seemingly indifferent.

I regret that the Minister of Trade and Commerce is not at this commonwealth conference. He should be there. Even though it would have been necessary to withhold the calling of this session until after the new year, our Minister of Trade and Commerce (Mr. Howe) should have been at that commonwealth conference.

I suggest, Mr. Speaker, that the criticism contained in the amendment of the Leader of the Opposition (Mr. Drew) with regard to this question is more than justified when he regrets the failure of the government—

> —to take any effective steps to regain the commonwealth markets for food and other products upon which the prosperity of our farmers and other basic producers so directly depends.

I repeat, on this question, that this commonwealth conference must find a way to improve commonwealth trade.

On the west coast we hope also that the commonwealth conference will take steps to promote increased co-operation between the freedom-loving nations of the Pacific area. The conference is in a splendid position to give such leadership because, in the first place, seven of the eight commonwealth nations have vital interests in the Pacific. The only one which has not is South Africa. In the second place, the association of these seven commonwealth nations constitutes the best bridge there is between the east and the west.

At the present time there is no broad plan for maintaining peace in the Pacific area as there is in the Atlantic, and indeed in the Mediterranean areas, by the North Atlantic Treaty Organization. In the Pacific we have a series of treaties between the United States and other countries. There is one treaty between the United States and Japan; another between the United States and the Philippines; another between the United States, Australia and New Zealand. It is strange, but apparently Canada and the United Kingdom are not welcomed to this treaty between the United States, Australia and New Zealand, known as ANZUS; we are being shouldered out of that treaty, and so is the United Kingdom, although our two countries are the ones which have the largest number of troops fighting in the Pacific, with the exception of the United States.

I suggest to you, Mr. Speaker, that the Pacific should not be considered a United States lake. With the new government of the United States obviously placing greater importance on the Pacific area than did the Truman administration, now is the time for the nations of the commonwealth to try to work out with the United States a general plan for security in the Pacific area.

Reference is made in the speech from the throne also to Vancouver harbour. We are told that there are to be certain improvements and engineering studies. Naturally I approve of that proposal. I would point out, however, that in addition to improvements in the harbour there must also be additional modern docking facilities. With regard to the harbour itself, there are two jobs to be done. I want to make sure that that distinction is kept in mind by the ministers who are responsible. There is the larger job, which is the widening of the channel of the first and second narrows and the reduction of the current. That particular work will require study. I think it is very wise to have a model set up to work out the best plan. It will take time, and it will be expensive.

But there is a smaller and more urgent job to be done in Vancouver harbour, namely, the deepening of the present channel in the first narrows. I am told, by the people in Vancouver who know, that this does not require study; that there is already a plan; in fact that there has been a plan for over forty years, and that in deepening the first narrows channel there would be very little change made in the current, so that there is no reason why that work should have to wait for a model. Time is pressing on this work because we have now a problem with oil tankers. Some of the tankers are waiting outside the harbour, and coming in at high tide. The channel is deep enough for those present tankers, but even now there is that difficulty, and when the oil pipe line reaches Vancouver, which we hope will be in 1954, it is expected that much larger tankers will be coming into the harbour, and there will be trouble with them, unless the first narrows is deepened to 40 feet.

We are worried now for fear failure to deepen the harbour entrance may result in most of the oil going down to the Washington state coast rather than coming to Vancouver. Therefore I urge upon the Minister of Public Works, and his associates in the government, that they put in a supplementary estimate

for the present year, 1952-53, so that a start can be made after the new year on the deepening of the first narrows channel.

In addition to being Canada's great seaport on the Pacific, Vancouver is also Canada's great Pacific air terminus. It serves over half the people of the province, because over half the population of British Columbia is in greater Vancouver. There are lines running out across the Pacific, to the south and up the coast, and of course to the east across Canada. In a short time we shall have a line from Vancouver to South America. Our airport is one of the great airports of Canada, and yet the approach is a disgrace. It is across the north arm of the Fraser river by a low level bridge known as Marpole bridge. This bridge opens many times a day. I was held up there myself just two weeks ago tomorrow by a very small tug pulling a scow of sawdust. I cannot imagine such a situation existing on the road to the Dorval or Malton airports. In fact I know that at either of those airports such a condition would have been done away with many years ago. We ask that similar steps be taken in Vancouver now.

Then there has been haggling about the purchase of the airport. The government has offered $900,000. The city is asking $1,287,000. In other words, they are less than $400,000 apart, yet they have reached an impasse and apparently nothing can be done. I suggest there should be further steps to settle it. The purchase price paid by the dominion is to be turned over to be applied on a new Marpole bridge anyway. The provincial government is ready to help with this bridge, and all that is necessary is for the dominion to take a lead in the project. This government should look at the broad picture of Vancouver as Canada's great terminus and outlet on the Pacific.

In the speech from the throne reference is also made to studies of possible improvements to navigation on the Pacific coast. On our coast there has been a great increase in shipping. I need only remind hon. members of the construction going on at Kitimat, of the growth of Prince Rupert and of the developments in Alaska. There is far more shipping on that coast now than there has ever been before. Furthermore, with radar, the ships are expected to run regardless of fog. In many cases in earlier days they would have tied up; now, the ship owners expect the officers to keep the ships in operation, and I may say that we have as fine a group of ships' officers on our coast as can be found anywhere in this country.

During the last few months there have been some serious accidents. About a year ago the *Princess Kathleen* and the *Prince Rupert* collided in a fog. The radar was not in operation at the time. Then this summer the *Princess Kathleen,* which was the flagship of the Canadian Pacific, was sunk a short distance out of Skagway. There again the radar was not in operation at the time of the accident. Later on in the summer the *Prince George* very nearly ran aground but was saved by splendid seamanship. In this case the radar had gone out of commission during the run to the north and as there were no facilities at Prince Rupert for repairing it the ship was being operated without radar.

I am told that there is urgent need on the west coast for further aids to navigation. I believe that if there had been a fog signal at the point where the *Prince George* nearly ran aground that trouble would have been averted.

A decision must be made by the Department of Transport with regard to the use of radar. The court of inquiry which inquired into the collision last year between the *Princess Kathleen* and the *Prince Rupert* recommended that the use of radar should be compulsory and that training in its use should also be made compulsory. That was not done although a voluntary scheme was set up for training officers in the use of radar. With these accidents behind us it becomes essential that the Department of Transport make up its mind as to what provisions it will make for the use of radar and also whether or not wireless operators must be carried. In recent years there has been a relaxation of the regulations governing the use of wireless and I believe the government should make provision on both these points at this session.

Then steps should be taken to remove Ripple rock. This has become more or less a joke in the house. When anyone mentions Ripple rock the rest of the house laugh, the Minister of Public Works (Mr. Fournier) laughs, and that is all there is to it. In the meantime the rock remains. The people on the west coast are becoming increasingly annoyed that the Department of Public Works seem to have neither the energy nor the vision to do something about this rock. I have here an editorial from the Vancouver *Sun* in which they suggest a commission to deal with Ripple rock. The editorial is rather harsh on the Minister of Public Works, the first paragraph reading as follows:

> Federal works minister Fournier's admission of defeat in the removal of Ripple rock is a disgrace to Canadian engineers and contractors.

The last paragraph reads:

> The time has come for Mr. Fournier to stand aside. He's thrown up his hands in defeat and dis-

grace. Let him set up a commission to handle the job. B.C. members of parliament should demand that he do so.

I would not be that hard on my good friend, the Minister of Public Works, because I realize this will be a most difficult job. But I repeat that some attempt should be made immediately to deal with this menace.

There have also been serious complaints in British Columbia in connection with the Department of Defence Production. One of the senior officers of this department, the director of the small industries division, Mr. F. W. Hore, went out to Vancouver in July and was reported as saying that British Columbia defence orders were then at a maximum and that no increase in defence orders for British Columbia was in sight. I should like to quote from the Vancouver *Province* of July 22 as follows:

No increase in defence orders is in sight for British Columbia, though B.C.'s "share" is admittedly less than the rest of Canada, according to F. W. Hore, director of small industries division, Department of Defence Production, Ottawa.

Mr. Hore, who is here consulting with manufacturers and suppliers, said that British Columbia's $29,000,000 shipbuilding contracts are the only big arms manufacturing B.C. can expect. "Higher labour rates more than anything else" put B.C. at a fatal disadvantage with eastern Canadian plants, and the freight to destination is the second major factor working against the coast, said Mr. Hore.

In other words, we are losing out because we are paying adequate wages and because we happen to be too far away from Ottawa. I believe that in some cases these goods have to be shipped to Ottawa and then distributed from Ottawa to the different centres across the country. That is an unfair situation. We should not be penalized for either of those reasons.

A firm known as Canadian Mobile Company tendered last summer on some forklift trucks. They are the only firm in Canada making this equipment. They do business with the trade in the east in the ordinary way but lost this government contract; it meant that fifty employees were laid off. The union took up the matter; in fact it was through the union that I heard of the trouble. I wrote to the deputy minister of defence production and discovered that this equipment had been purchased from a United States firm.

It is true that the price was about $1,000 less per unit but when one takes into consideration that about $500 would have been paid to the Canadian National for transporting each piece of equipment, that the discount on the United States dollar made a further difference of $300 per unit, and that the government would lose corporation taxes from the company and income tax from the men in addition to having to pay unemployment insurance, it would appear that in the long run the government lost out by placing this contract in the United States. I suggest that the minister look into this matter. The deputy minister replied to me as follows:

On the question of securing defence items from American sources, Mr. Howe has often mentioned in the house the importance of our trade with the United States, particularly in view of the very close co-operation that exists between our two countries on all matters pertaining to defence.

That is not a very satisfactory answer to fifty men who have been thrown out of work because a defence production contract has gone to the United States. Later on in the summer this same company lost out again because a tender actually called for United States equipment.

Further trouble is caused through the notices of tenders not being received sufficiently early to permit firms to tender. For example, tenders were called for the construction of wooden ships and I am informed that firms on the coast received these only one day before the tenders had to be submitted. As a result it was impossible for them to submit tenders. That may not be accurate, but it is the report I have received and I hope that the minister will look into it.

This department has very wide control over industry and can influence business both now and for the future. I believe that great care should be taken by the department to see that firms in the more distant parts of the country receive their fair share of the contracts.

There is also much annoyance on the west coast with respect to television. There is quite a long reference to this subject in the speech from the throne, and apparently it is to be the fate of the people of Vancouver not to be able to have Canadian television until a station is built there by the Canadian Broadcasting Corporation. I do not know how long that will be, perhaps a year, two years or even longer. Vancouver is told to wait for the Canadian Broadcasting Corporation, and even then there can be no competition from any Canadian private station. We already have a great many television sets in operation in Vancouver, and the owners of these sets are watching United States privately-sponsored television. Just last week a television record was made of the opening of parliament and we had the four youngest, most handsome and promising ministers in the cabinet, although I understand they needed grease paint even at that, in television.

Mr. Graydon: Where were you, Jimmy?

Mr. Green: The Minister of Resources and Development (Mr. Winters) was not in it.

Mr. Graydon: I am talking about the Minister of National Revenue (Mr. McCann).

Mr. Green: How do you suppose the people of Vancouver saw the television show of these four ministers? They saw it last Thursday night over station KING in Seattle.

Mr. Gibson: Free enterprise.

Mr. McCann: How did they look?

Mr. Green: That is a ridiculous situation. The new government policy on television means that Vancouver people will be able to tune in privately-owned television stations in Washington state but not privately-owned Canadian stations although there are several Canadian firms anxious to build television stations in Vancouver. The Canadian Broadcasting Corporation is going to have competition for listeners anyway from the United States. Why not let private Canadian stations enter the field? I must tell the minister that there is very bitter criticism of this policy on the west coast by the press of all parties and particularly in the press which supports the Liberal party. This policy should be reconsidered. I do not believe it is good enough for the west coast in the year 1952.

Finally, I should like to deal with the reference in the speech from the throne to the veterans of Canada. I deal with them last not because that is the least important subject in the speech from the throne but because this problem is nearest to my own heart. We find the following reference to veterans:

> A bill designed to provide greater educational opportunities for children whose fathers died as the result of war service will be placed before you.

I heartily approve of that plan. It is long overdue. Many of us have been pressing for it for some years and so have the great veterans organizations of Canada. I only hope the measure will be a broad one. There is also a reference to a bill to continue the benefits of the Veterans Benefit Act for another year. Everyone will be in favour of that measure. I regret, however, that there is no reference whatever to the War Veterans Allowance Act.

Amendments were made to that legislation at the earlier session this year but there was great dissatisfaction with them on the west coast. Hon. members will recall that the amount of the allowance was increased to $50 for a single veteran and to $90 for a married veteran although the veterans organizations had asked for $60 for a single veteran and $120 for a married veteran. Furthermore the total permissive income of a single veteran for a year was raised to $720 and for a married veteran to $1,200. That meant that over and above his war veterans allowance a veteran, whether single or married, could only receive by way of a small pension or additional earnings $120 a year or $10 a month. Before this amendment was made the figures had been $125 for a single veteran and $250 for a married man. Even under the Old Age Assistance Act the ceiling is $240 a year over the amount of the assistance. There is obvious discrimination here against veterans who were front-line troops.

Last session the special committee recommended that the government should give further consideration to the recommendations of the veterans organizations and particularly with respect to permissive income. I had hoped that there would be some mention in the speech from the throne of further amendments to the War Veterans Allowance Act, and perhaps it is even yet not too late for the government to introduce such amendments. I cannot urge too strongly the need of making further improvements to this act.

There is a tendency growing up in the country, Mr. Speaker, to treat these veterans as welfare cases. Apparently some departments of the government are trying to get the veteran on the same basis as the recipient of welfare assistance. So far as the newer veterans are concerned, I have been disappointed to find in recent weeks that in Vancouver Central Mortgage and Housing Corporation, which administers houses rented to veterans, is considered by the authorities to be more hard-boiled than civilian landlords when it comes to evicting tenants. There is no excuse for an official attitude of that kind. There is something wrong with the approach to the problems of these veterans, and it is well illustrated by a pamphlet put out by the Department of Veterans Affairs after the last session entitled, "A message to older veterans, employment and war veterans allowance". In it we find these suggestions to the older veterans under the heading, "A few personal pointers":

> Keep your hair neatly trimmed, boots clean, and, so far as your circumstances will permit your clothing neat and clean. Your hands and nails should be tidy. You should not enter the office with a cigarette in your mouth or smoke during the interview unless the interviewer offers you a cigarette. Do not attempt to shake hands unless the employer makes the first gesture. Do not rush into his office; walk forward easily and confidently. Don't sprawl in the chair or sit with feet and legs wide apart. Because a man's name is very important to him, be sure that you have previously inquired—even if it be from a member of the outside staff—what the executive's name is, and then greet him with a courteous "good morning" or "how do you do, Mr. Jones."

That pamphlet is an insult to the fighting men of Canada who are entitled to the war veterans allowance. Nothing could be more

calculated to wound the spirit of these gallant Canadians. I suggest that anything they get from the Canadian government is not a handout but only partial payment for services rendered. There is an obligation of this parliament to these men which I, for one, do not propose to see forgotten.

(Translation):

Mr. Pierre Gauthier (Portneuf): Mr. Speaker, if I make my first remarks in French, it is because I like to hear the walls of this house echo once in a while to the tongue of Racine and Corneille, and also because, during the provincial election held last summer in Quebec, there were increasing complaints of encroachments. I heard such indignant denunciations of the so-called federal encroachments upon provincial rights that I made a point to say in this house that, in spite of these alleged encroachments—exaggerated, magnified and multiplied at pleasure by those who complain about them—we still speak French in the province of Quebec, we still keep the same religious belief and we go on hoping that we will always speak this beautiful language.

May I now be permitted to congratulate the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne, who so brilliantly accomplished their task. In choosing them to move and second the address, the government has honoured not only those two members, but also their respective constituencies and those who have recognized their merits by sending them to the House of Commons.

In this year 1952, my thoughts inevitably and unconsciously go back to the Quebec legislature where I had the honour of sitting for the first time on October 31, 1927, as member for Portneuf county. I have therefore been a member of the provincial legislature or of this deliberating assembly for twenty-five years. The other day I was happy to see my friend, the hon. member for Temiscouata (Mr. Pouliot), celebrate the 28th anniversary of his election to the House of Commons. If my memory serves me right, it was the hon. member for Temiscouata who sent me the first letter of congratulations following my election as representative of Portneuf county in the provincial assembly.

I also have other congratulations to offer, Mr. Speaker, and this time they go to the government. Some of my colleagues may know why I want to do so. It is quite simple. I wish to congratulate the government on not having opposed the admission of Spain to UNESCO. As you know, for several years now I have spoken here, in this house and in the committee on external affairs, in favour of the admission of Spain to the United Nations. I have brought up this subject more than once and attempted to be as objective as possible. I had been sent to Europe by my municipality, on the occasion of the Holy Year. While there I thought it would be a good idea to investigate conditions on the spot and I spent a week in and around Madrid—which is not very long, admittedly—in order to find out whether Spain was as fascist as its opponents make it out to be.

I had been told, by the way, that I should not bring any camera with me since it would be confiscated. Still I took every picture I wanted of interesting landscapes; I even took pictures of public buildings such as the civic building in Madrid and the building which houses Franco's external affairs department, and nobody, no policeman, ever came around to ask me what I was doing. Consequently this propaganda about everything being the same in Spain as behind the iron curtain is absolutely misleading.

In any case, if Spain has not been admitted to the United Nations up to now, if there has been delay in recognizing that this country is probably the most unsurmountable obstacle in the way of communism, it is because well organized, well directed propaganda, amplified even at various meetings of the United Nations, has served to conceal that country's real worth.

Through skilful propaganda, the Franco government was criticized for its attitude towards so-called heroes who it is claimed fought in the French maquis for the liberation of France. I have made serious research on the subject and, with the help of official documents, I found that these so-called heroes were born in the very fertile imagination of the communists who had spread all over the world this false propaganda. Hence, there is no reason whatever why Spain should not have been admitted to the United Nations, to UNESCO or to other international organizations long before today.

In any event, I wish to congratulate the Canadian government for not having objected to the admission of Spain to UNESCO; I hope that the veil will vanish more and more and that the door will open as wide as ever, so that Spain may some day take her rightful place in the United Nations as well as in all organizations which are concerned with the welfare of the world generally.

I listened with great attention the other day—as I always do in any case—to the speech of my friend the hon. member for Labelle (Mr. Courtemanche), who spoke of Mr. Henri Bourassa, the great Canadian orator.

I agree with most of his laudatory remarks about that great Canadian. He was one of our best French-Canadian speakers, a fighter who fought almost until his death. In some debates, I would say that he was ferociously energetic. He made mistakes like any other human being, but I believe that history will place Mr. Henri Bourassa among the great men of our country.

He made several prophetic utterances in the House of Commons. I remember that at the time of the constitutional crisis in our parliament around 1926, Mr. Henri Bourassa was among the first to support Mr. Mackenzie King's suggestion that the Canadian people should be asked whether the Canadian constitution was binding or whether it could be disregarded according to some official's will or passing fancy. Needless to say, I do not agree with all the hon. member for Labelle said, especially about the C.B.C.

I know that, up to a certain point, the C.B.C. is a government enterprise. He spoke of monopoly and, once he got steamed up for a great electoral speech, he thoughtlessly used the word "socialism" which is so often uttered by our opponents when they try to link the socialist party with the Liberal party. That is their business, but one must remember that words have a meaning and that they should not be used at random about this and that.

I feel that radio broadcasting is too important a matter to entrust it to anyone at all. Neither private enterprise nor anyone else has the right to say that such and such a program is good or not so good or even bad for the public. I know that some officials of the C.B.C. may have let some things go by that we did not like and that we would not like to hear again. Along with my colleague from Three Rivers (Mr. Balcer), who is a member of the radio broadcasting committee, I have protested against the broadcasting of certain talks by Bertrand Russell, Anna Freud, and others, because we believed that the ideas expressed by these speakers should not be fed indiscriminately to the public without being subjected to a certain control. Indeed we did not share their opinion, which were often erroneous. But we must not overlook the fact that the Canadian Broadcasting Corporation is a man-controlled institution, as are the private stations, and as such can make mistakes. I repeat radio broadcasting is too important to leave it to the public at large to decide whether or not a program is acceptable. Therefore, I also feel that the Canadian Broadcasting Corporation should be maintained in order that a certain control may be exercised over radio broadcasting. I understand that certain private stations, the majority of them perhaps, may not take a favourable view of control exercised by the Canadian Broadcasting Corporation, as pointed out by the hon. member for Labelle (Mr. Courtemanche) in his remarks. He is right in saying that they are not allowed to operate networks. Moreover, were we to ask them to contribute to the maintenance of a national network from one end of the country to the other, the private stations would oppose these suggestions, precisely because they are commercial undertakings first and foremost. The operation of such a network would not be profitable, far from it. On the other hand the C.B.C., thanks to the state subsidies it receives, can operate two national networks and relay to the farthest corners of this country—and goodness knows we have a large country—programs which are quite acceptable to the people as a whole. Private stations would never dare to do so, for financial reasons.

On the other hand, private stations are allowed to have regional stations. As a matter of fact, when listening to CKAC, I often turn to another station when reception is poor, to get the same broadcast over another station. This advantage is due to the fact that private stations are allowed regional affiliates. But to imply that the C.B.C. operates a state monopoly and that it is tainted with socialism—after all one must know the meaning of words. I understand that, politically speaking, the word "socialism" uttered during an election battle or through the new loudspeakers of the House of Commons, may serve to diminish one's opponent in the eyes of the public. But you will admit that there is a difference between the C.B.C. monopoly and socialism. Furthermore, even if private stations enjoyed such complete freedom as the one advocated by the member, there would still be the danger which existed in the past.

Mr. Speaker, I do not wish to embark upon a too deep and too wide philosophical explanation, but I still say that the hon. member wants to go too far to the right and that he will eventually sink into economic liberalism. Of course, economic liberalism cannot be compared to the Liberal party doctrine, for everyone knows to what extent the former has been harmful to democracies. It is fortunate that the Liberal party doctrine in Canada is excellent. Its definition differs widely from that of economic liberalism, and I believe it is worth remembering because it is quite applicable to the present Liberal policy—it is the progressive attainment of our civil, social, individual, political, economic, and religious freedoms, all of them based upon a moral law. Such are the ideals of the Canadian Liberal party, ideals which deserve to be encouraged.

If, on the contrary, we afforded to anybody with talent, anybody in a favourable position, anybody with connections, anybody with certain financial advantages, the opportunity of making all the money he could, so that eventually a small group of men would control all the wealth of the world, that would be a return to economic liberalism, and then man would become a mere economic creature, striving to make money and benefit therefrom. Those are not the ideals of the Canadian Liberal party. In fact, I don't have to stress that fact since one has only to recall the social legislation the Canadian parliament has enacted, old age pensions, unemployment insurance, family allowances, and many more, to find the Liberal doctrine in Canada is very good.

Moreover, may I say to my hon. friend that those who lean too much to the right—to use a word which illustrates well what I have in mind—are bound to sink into economic liberalism which is very different from what is called "Canadian liberalism"; that those who tried to link "Canadian liberalism" with historical liberalism, condemned by the church, in a word, those who lean too much towards historical liberalism become inevitably engulfed in monopolistic capitalism. And monopolistic capitalism—whether my friend believes it or not—allowed Marx, on the strength of a theory on economic liberalism expounded by an English economist, to bring about class struggle after transposing a synthesis of that theory. Then, when the chosen, as they were called at that time, were to be the ones entitled to make money, because of their intellectual superiority, Marx transposed the theory and instigated class struggle. Today, the proletarian class and not capitalism comes first. He merely transposed a theory.

Moreover, Mr. Speaker, monopolistic capitalism has of course given false ideals to all who have been disappointed, who have had a hard time to make a living, to all who have had to work harder and who were in difficult conditions. Contrary to those who believe that a depression gives birth to communism, I say that a depression fosters communism but does not bring it about. Communism is born of something more remote, deeper. It is a muddle of the theories of Hegel: the contradiction in ideas. It comes also from the materialism of Fuerbach and of a Frenchman, Proudhon, who had lent Marx his theory on the class struggle. The errors of historical liberalism have been taken over by Marx and transformed by him; that is where he found his inspiration. He claimed that it was now the turn of the workers, instead of a small fortunate group, to take advantage of conditions. Unfortunately Marx went too far. Instead of the unfortunate class being the only one to gain by it, he created another group, that of the bureaucrats. The group of bureaucrats I speak of is not at all like the one we have in Canada. There is no comparison between the two.

This group of bureaucrats consists of one and a half million people, who control a population of 235 million people; they have all the opportunities and the means to acquire wealth, food, clothes, beautiful cars, and so on.

Perhaps, Mr. Speaker, my words may seem remote from the matter of the C.B.C. But it would be a shame if we succeeded in getting out of difficulties brought about by abuses only to be faced with new ones.

I would now like to discuss the C.B.C. broadcasts to our most remote regions. I am not always able to share my hon. friend's opinion; to my mind, his speech has been most interesting; but I shall not go as far as to say that we should abolish the C.B.C. monopoly. I doubt whether it would be wise, for I am confident that the C.B.C. controls programs more efficiently than private stations would and sees to it that the Canadian people get first rate broadcasts. Besides, if this monopoly is so detrimental to private stations, how is it that more than 80 of these out of 110 are linked with the C.B.C., and relay its programs? I believe private stations benefit from this situation, financially at least.

The other day, at the opening of a station in Saskatchewan, several speeches were made. One of the directors of the C.B.C., Mr. Adrien Pouliot, and another, spoke. They congratulated all who had worked for years to get French broadcasting in the west. It should be recognized also that the C.B.C. affords to private stations, and particularly French language stations, certain advantages.

Mr. Speaker, I listened to the hon. member for Fort William (Mr. McIvor) who expressed the opinion that the speech read by the Governor General should be read one year in French and the next year in English. Let me mention as an example, Mr. Speaker, the prayer which is alternately recited in the two languages, in French one day and in English the next. May I say that we are in a country with two cultures and two official languages, even though our constitution does not entirely recognize them as such. However, everybody admits the existence of two official languages. Furthermore, I would not deny the hon. member for Fort William who is very broad-minded and who undoubtedly recognizes the existence of two cultures in Canada, I would not deny him, I

repeat, for a whole year the pleasure of hearing the present speech in French and he would not likewise deny me the pleasure of hearing the same speech in English. Therefore, I believe that the speech from the throne must be read immediately in French and in English instead of being read first in one language and then in the other language a year later. That is my opinion.

I have listened very carefully to the speech delivered the other day by the hon. member for Eglinton (Mr. Fleming). The hon. member also believes in a bicultural Canada; he has often enough expressed himself in French in the house. I offer him my congratulations. However, it seems to me that his words exceeded his thoughts when he criticized the government with regard to an alleged scandal in the purchase of neckties—which we ordinarily call "faux cols" in Canada—as well as the purchase of serving forks and of a great quantity of soldiers' footwear. Reference was also made, in the Quebec legislature, to the speech made by the hon. member for Eglinton. Indeed, a minister cried out: "What about the million neckties?" On certain lips, on those of some members of the Union Nationale, for instance, the word "million" sounds queer. They throw it at you with disconcerting ease, cheerfully, as the hon. member for Beauharnois would say. What about the million neckties? Well, the Minister of National Defence (Mr. Claxton) dealt with this point the other day, and I believe he said just what ought to have been said. What he told was the truth. Besides, there is no point in gloating over it. I notice the hon. member for Three Rivers (Mr. Balcer) is smiling. We must believe what the Minister of National Defence said, we must take his word because he is a member of this house and a minister of the crown. Last week end a veteran came up to me and said: "Pierre, what's the matter with our Conservative friends and why do they talk about scandals concerning ties, shoes, and serving forks?" Do they think that because we are soldiers we do not need two, three or four ties every year? Do they think that because we are soldiers we do not need shoes and serving forks? The federal government and the Department of National Defence have to provide for the needs of servicemen, for their clothes and their shoes, as these gentlemen provide for their own needs.

Mr. Speaker, I am a poor man, but I have to buy five or six ties every year. Our soldiers need four or five neckties every year. Furthermore, we are aware that they work hard and are ready at any time to risk their lives to protect our freedom. This veteran told me that they were going too far, that they should worry about more important matters, about savings which would really be of interest to all Canadian taxpayers.

That reminds me of a fact. When I was a member of the legislative assembly I often read the debates of the House of Commons. At that time, the Hon. Ernest Lapointe, who represented Quebec East, was also minister of justice. Mr. Meighen or Mr. Bennett, one of them or perhaps both, I do not recall correctly, was speaking of an alleged scandal. The Hon. Mr. Lapointe told him: "You act in a petty way about important things and take unimportant matters too seriously." As you can see it is always dangerous to discuss certain little scandals which actually are not scandalous at all.

I know that such things are bound to surprise. The other day I read a newspaper clipping which one of my electors had sent me. The item was captioned: "Why should I vote for the Liberals?" It seems that a member of the provincial legislature was going about the province of Quebec repeating after his minister: "Tell us more about neckties." He repeated those words every time he made a speech. Then, one of my constituents queried: "Why vote Liberal?" And I understand that he considered this as an abominable scandal. Now, I sent him part of the speech of the Minister of National Defence (Mr. Claxton) dealing with this question of ties and serving forks and I hope, knowing that man as I do—he is truly unbiased—that he will return that press report and say: "Now, I know why I should vote Liberal. It is because the Liberal party is serious while the Tories are not." That is all I wanted to say about the small scandal alleged against the Liberal party which has been amplified, inflated and multiplied at pleasure by different speakers, especially those of the Conservative "Union Nationale" in our district.

Moreover, since an agreement was entered into by the province of Ontario and the federal government, those who enjoy harping on the constitution and the question of autonomy now feel uneasy since they have found out that Mr. Frost is not, after all, so disappointed in the fiscal arrangement he has entered into with the federal government. Now, in this connection here is a British United Press dispatch published in the *Action Catholique* of October 21, 1952. These, by the way, are Mr. Frost's exact words:

He added that in this connection Ontario had sacrificed nothing of its constitutional rights.

This is clear; this is a trustworthy paper, one which is often quoted by our opponents.

I have kept this British United Press dispatch in order to show it to my friends. I tell those who are afraid, those who are fainthearted, that Mr. Frost, in concluding this arrangement with the federal government, has sacrificed none of his province's constitutional rights.

Besides, Mr. Speaker, I carried my investigation a little further. I am not a lawyer and, consequently, I must work harder. I must be careful not to make a legal heresy, but I found in a book dealing with the Canadian constitution that in the Quebec resolutions, before the federal pact became an accomplished fact, and especially in the resolutions of October 10, 1864, in section 29, paragraph 5, the following provision:

That the raising of money by all or any other modes or systems of taxation belongs to the federal . . .

And in the London resolutions of December 1866, section 28, paragraph 3, the same facility is granted the federal government. Moreover, I think the other day, the Right Hon. the Prime Minister (Mr. St. Laurent) mentioned the fact that the federal government had the right to levy funds by all modes or systems of taxation. I know that my hon. friends say and repeat unceasingly that provinces have exclusive jurisdiction in the matter of direct taxation. But, Mr. Speaker, I know that when someone speaks about income tax, everybody wants to add his word. I admit that I do not like it more than anyone else. I have to pay it like everybody else. We have to do so at the present time owing to the social security legislation we enacted for the benefit of our people and owing to the enormous national defence program we have undertaken. The people of our country cannot cease to contribute, by way of taxes, to those two programs. I am confident that the Liberal government would hasten to lower income taxes if the war in Korea had come to an end. Our opponents say that our country is badly run, that the Liberal administration should be replaced; we need a change, as they say not infrequently, using a slogan which was used profusely in connection with the election of General Eisenhower in the United States. And yet, the hon. member for St. Mary (Mr. Dupuis) discussed that subject the other day. He told them what was the change he advocated; it seems to me they should have caught on. I must add that certain countries, our neighbours in particular, are keeping an eye on us.

I read in a special dispatch to the *Star* dated June 10, 1952, that the Americans are all flabbergasted at the masterly manner in which we manage our political economy, so as to make a success of it. The dispatch is headed:

(Text):

Oh, Canada, how do you do it?
Dollar upset humiliating—N.Y.

Referring to the fact that the Canadian dollar is now worth more than the United States dollar as a "humiliating upset" the *Daily News* of New York today asks if the Truman administration might not learn a useful lesson from this and other facts about the Canadian economy.

We move that Truman and company send a commission to Ottawa to find out more—much more—about how Canada does it. This would involve a feat of pride-pocketing of which, frankly, we don't think the fair dealers are capable. But it would also dig up a barrel of useful tips and information which the people of the United States badly need. What ho, Harry?

(Translation):

So you see for yourself what numerous contradictory assertions our adversaries are guilty of—in spite of themselves, however, for they notice them only long after they have been uttered, after a more or less protracted period of gestation. It seems to me that they should delve into the past and ask themselves why, all things considered, they have not won the support of the people of Quebec which, as a political party, they were entitled to expect.

I have before me an article taken from *Le Droit*, explaining why the Conservative party has failed to secure the support they had hoped to gain from Quebec. This article was written on May 1, 1952, by Mr. Georges Henri Dagneau who is not an employee of the Liberal government, I am sure.

It is well known, that one of the main reasons—

He is speaking about the blundering of the Conservatives and the little support they are gaining in the province of Quebec.

It is well known, that one of the main reasons for this situation may be found in the lack of know-how, which the federal Conservative party shows by invariably taking an attitude which alienates Quebec. The present session—

That is, the last session.

—supplies three instances: First of all, when Massey was nominated to the post of Governor General, the leader of the Conservative party, Mr. Drew, kept silent in a clearly reproving manner, while some of his lieutenants vented vigorous diatribes; soon after the federal government had announced its bill granting aid to universities, the C.C.F. party emphasized its demands in favour of subsidies for primary and secondary education, and the Conservatives took this opportunity to join the latter, after fifteen years of fighting the C.C.F. as well as the Liberals; finally they acted in quite the same way with regard to divorce; the Conservative members supported the C.C.F. motion.

That is, the resolution sponsored by Mr. Knight.

There we have a reliable newspaperman, well known in Quebec, giving the reasons why the Conservative party should change its attitude, or at least its policies, not only with regard to Quebec, but with regard to the whole of Canada. And I say that our friends opposite should not speak one way in Quebec and another way in the other provinces.

I remember one famous election, and my hon. friend knows what I am talking about, because he speaks French now and understands it, but I will speak in English. *(Text):*

I was in Roberval that afternoon when the chief of the Conservative party spoke. It was a wonderful day, and the theatre was full of partisans. The hon. member for Three Rivers (Mr. Balcer) and other friends of the Conservative party in Quebec were there. As I said, it was a bright Sunday afternoon and speeches were delivered aimed at the election and directed especially to Quebec.

An hon. Member: Was it a religious meeting?

Mr. Gauthier (Portneuf): It was not a religious meeting. I have arguments other than religious to put forward, and I am ready to present them to you so you can send them on to your Union Nationale friends in Quebec.

The speeches were delivered in French, and I congratulate the Leader of the Opposition (Mr. Drew) on the manner in which he read his speech. I do not blame him for that because French is not his mother tongue. He is making a wonderful effort to try to speak French. After his speech was delivered he sat down on the platform while his friends spoke in French. One speaker indicated that he was strongly opposed to any policy of immigration for Canada and everyone applauded, including the Leader of the Opposition. Another speaker said we should have a national flag without the Union Jack on it and everyone applauded, including the Leader of the Opposition. That cannot be denied. I was there and I have witnesses.

The Leader of the Opposition cannot say that he does not understand French, and he was applauding just like all the others. If my hon. friend had kept quiet I would not have dealt with this. However, he asked for it and he is getting it. I am sure everyone will be pleased to hear that the Leader of the Opposition wants a Canadian flag without the Union Jack and wants no immigration whatsoever into Canada. The Leader of the Opposition applauded when one speaker asked that our soldiers be brought back from Europe, that they had no business there.

Apparently they have two policies, one for Quebec and one for the rest of Canada. That is not what the Liberal party does. That is why we have stayed so long in power and that is why we will be in power after the next election.

Mr. Michael Starr (Ontario): Mr. Speaker, in rising to address you for the first time in this distinguished assembly I do so with a deep sense of personal responsibility to the great traditions represented in your person and office and also in the time-honoured customs of this house. I wish to extend my congratulations to the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne.

Coming as I do from the one constituency in the great province of Ontario which has the honour to bear the name of the province itself I find many reasons for pride as well as humbleness when I am told that according to the usages of this house I alone of all the members can be referred to as the member for Ontario. There are many other reasons for the mixed feelings of humility and gratitude, yes, of pride which I feel at this moment.

In the short time I have been here I have learned much of the story of the great democratic institutions exemplified in the distinguished office of Mr. Speaker, in the offices of the responsible ministers of the crown, of the leader of Her Majesty's loyal opposition, of the leaders of the other representative groups, of the Clerk of the House of Commons, of the Sergeant-at-Arms and last but not least of the members of the parliamentary press gallery.

My own presence here, by your permission and at your command, I venture to say is to some Canadians a readily understood symbol of the reality of Canadian democracy of which this house is at one and the same time the chief functionary, symbol and guardian.

I refer first of all to my fellow Canadians in Ontario constituency who know me as a plain man working at an everyday job. They knew me so well that they rejected my first three offers to represent them in their municipal affairs, but I am glad to say they later relented and have given me some measure of their confidence in the city of Oshawa for the last nine years. I refer also to an even larger group of my fellow Canadians whom it is the current fashion to call "new Canadians," for I am one of these, though having the honour and good fortune to be born in Canada.

I do not know at what precise point in time one ceases to be a new Canadian and becomes an old Canadian. Nor does it matter. We have Conservative and Liberal Canadians, French-speaking and English-speaking Canadians, rich and poor Canadians, eastern and western Canadians, C.C.F. and Social Credit Canadians; so whether we are old or new Canadians, we are all Canadians. Only the other day I heard the Leader of the Opposition (Mr. Drew) say in a public address in Toronto that he disliked the term "new Canadian" when applied only to those who have come here from the continent of Europe. He said that it should apply equally to newcomers from the British Isles and even to the many thousands of future citizens whose daily arrival places are the maternity wards of our hospitals from Corner Brook in Newfoundland to Dawson in the Yukon.

I agree with my hon. leader, and if I may speak for those most closely concerned I think it can be said that they care not what the first adjective may be as long as the second word is "Canadian", nor what the temporary designation may be as long as they feel, as they most certainly do, that their welcome here is warm and generous and that the opportunity here is what they themselves make it by their own deportment and the degree to which they learn what it really means to be a loyal Canadian.

Nor will it matter much to them or to any of us what they may be called, seriously or in jest, as long as the son of a poor emigrant from the Ukraine can take his place in this house, as I have done, sir, commended to your favour by a group of Canadians old and new, of many creeds and faiths, of different positions and occupations in life, from the city, towns, villages and farms of Ontario riding including the historic old township of Whitby, East Whitby, Pickering, Reach, Uxbridge, Scott and Scugog. I mention these famous old Ontario municipalities because I am humbly aware of the fact, especially after hearing some of the hon. members these last few days, that my own experience in the many problems that confront governments is limited strictly to the local field of municipal self-government.

Yet as I have sat here during this session and listened to the discussions of our national problems I have become more and more convinced that the very real problems of Canada's 4,000 municipalities cannot be solved at the local level or at the provincial level, but are in a truly national sense a very proper subject for your attention, Mr. Speaker, and for the attention of this house. Particularly, as I hope to show, they are a matter for the consideration of the present government; for it is my opinion, based on experience in the administration of one representative Canadian city, that the main cause contributing to the financial plight of the municipalities of this country today is the policy of higher and higher federal taxation followed for so long with such undisguised zeal by the present government here in Ottawa. I am aware, sir, that it is the current fashion of the hon. members opposite to dismiss any such statement with the very offhand excuse that municipalities are none of their concern because they are what they call the mere "creatures of the provinces." It is, I believe, a lawyers' phrase, and I have no doubt that it is strictly correct in the legal sense. But I am sure that the many thousands of earnest men and women who have been concerned during the last decade with the pressing problems of municipal government regard it as the poorest possible excuse for the present continuing and expanding federal invasion of the sources of municipal income and livelihood.

I refer to the mythical Canadian tax dollar. It is mythical in name only. In practice it is a grim reality blandly ignored, it seems to me, by the federal government, but ever present in the frantic planning and thinking that goes on every hour of the day in a municipal board or council somewhere in Canada. I think the facts speak for themselves. The Canadian tax dollar is a representation of the total amount of all tax collections on the level of the three authorities which, under our Canadian federal system, have responsibilities in the matter of the expenditure of public funds. As of the last fiscal year for which complete figures are available, 1950, it represents the staggering total of $4,292·7 million as against a mere $1,032·2 million in 1939. That is the total of all taxation in Canada, federal, provincial and municipal. Therefore, Mr. Speaker, the tax burden has increased in this short period almost four times.

In the very limited field in which I have had experience our first instinct when we discover a situation like that is to look for the villain. We check over the expenditures of each department and ask, "Who caused this? Who is spending all the money?" These can sometimes be embarrassing questions, but at a level of government as close to the people as we are in the municipalities we have no alternative. We must not only ask the question but we must also find the answers.

If we apply this simple test to the astounding fourfold increase in Canadian taxation since 1939, we discover the answer very quickly. We find that the provincial and

municipal governments have been extraordinarily modest in their demands for a share of the Canadian tax dollar, but not so the federal government. The latest study which has been made covers the years 1930 to 1948. It was undertaken by the Canadian federation of mayors and municipalities last year. It shows that the dollar value of municipal taxes all across Canada in 1948 was almost the same as in 1930. I cite that amazing accomplishment as proof positive of the tax-conscious, budget-wise, good and careful housekeeping which is the guiding principle of municipal government in Canada today.

I am sure it follows that if all governments had been as tax-careful as the municipalities in these years we would have today an almost ideal tax situation in Canada. But what happened? In 1930 the municipal share of the tax dollar paid by Canadians to all governments was 39·4 per cent but in 1948 it was only 12·7 per cent, and current estimates indicate that it will even be lower in 1952. The share taken by all provincial governments also decreased in this period from 22 per cent to 19·8 per cent. These are what our economists call the lower levels of government, and rightly so. They are not only lower in authority and taxing powers but they are also lower in what they think the taxpaying traffic will bear.

What has happened on the highest level of government, the government of Canada? In the answer to that question we have the whole story of the crushing and unbearable taxation in Canada today. Between 1930 and 1948 the percentage of the Canadian taxpayer's dollar pre-empted by the federal government rose from a mere and reasonable 38·6 per cent in 1930 to 67·5 per cent in 1948, and it is still climbing. As the Leader of the Opposition said in the house a few days ago, the latest estimate of the share of the Canadian tax dollar which is being taken by the federal government is no less than 77 per cent, leaving a mere 12 per cent for provincial governments and only 11 per cent for all the 4,000 municipalities.

I can well imagine hon. members opposite saying that the municipalities can get more if they want to, that all they have to do is raise taxes. That attitude toward the raising of money for government purposes is well known to the people of Canada. It is an attitude which they almost automatically associate with the present federal administration, which has increased the level of the Canadian tax burden more than all other administrations put together since confederation. Fortunately, however, this come and get it viewpoint has not been shared by our so-called lower levels of government, and one does not have to be an economist to know the reason. It is no mere accident that the level of government that has been the most economical in its operation, and therefore the least demanding on the taxpayers, has been that level which is closest to the people and which accounts to them at all times and most often.

The facts are there for all to see and note. In this period of just over twenty years, while the federal government has been doubling its percentage demands on the taxpayer's dollar, the provincial governments have reduced their demands by about half and the municipal governments by about two-thirds. In other words, local governments are today asking for only one-third the share of the tax dollar which they received in 1930. They have made this remarkable contribution to good housekeeping in spite of steadily increasing demands on their services. That is an important point. I need not detail here the nature and extent of these demands except to say that they include the majority of those facilities and services which determine whether the standard of living of our people is to be high or low. They centre about the school and the home which, next to the church, are the most important and vital institutions in our way of life.

In the welter of publicity that rolls out from Ottawa every day it is easy to lose sight of the fact that the welfare state is no new creation of the central government but has long existed as an achievement of municipal government. It is the local, not the central or the provincial, government which must provide the hospitals in which young Canadians are born, the day nurseries to relieve working mothers of some of their burdens, and the schools in which our children are fitted for citizenship. It is the local government which provides the community basis of the home, which supplies the water, the electricity, the protection from fire and theft, the roads and streets within the community and the systems of public transportation. It is the local government which still, in spite of some contrary claims, assumes the principal share of responsibility for the welfare of our people in those emergencies of life which come to all sooner or later. I refer, Mr. Speaker, to such things as hospitalization, economic misfortune, and even to the problems which beset so many in the autumn of life requiring the provision of shelter and maintenance.

Our population has increased greatly in the last few years, and this has meant increasing demands upon the municipalities for all their services. Costs of providing these services have more than doubled since 1930. Many

new areas, both residential and industrial, have been opened up. New municipalities have been created.

I cite these facts, sir, because we are so often told about the increased demands upon the federal treasury. I do not wish to minimize those but it is important, I think, that we remember that the proportionate demands upon the municipalities have been just as great and perhaps greater; yet municipal revenue all across Canada is no more than double the 1930 total. In terms of real dollars and measured by the purchasing values in 1930 and 1952 the total municipal income in Canada today is no more than it was 22 years ago. In the last 12 years, on the other hand, the federal tax load on our people has multiplied itself more than four times; personal income tax has increased ten times; corporation taxes at the federal level have increased ten times; customs revenue three times; liquor taxes five times; tobacco taxes four times, and so on.

How then, we may ask, have the municipalities managed to achieve this miracle of money management? Not, I hasten to say, Mr. Speaker, by going into debt. To the many glories of the accomplishments of our municipalities must be added, sir, their steady rejection of the principle of taxing unborn generations to pay for the comforts and facilities of the moment. In total dollar volume the combined debts of all 4,000 Canadian municipalities is less today than it was in 1933. When we remember that today's dollars mean much less than the dollars of 1933, the real burden of municipal debt is much lower than at that time.

If our municipalities are in a sound financial condition today, Mr. Speaker, it is not because of any high level of income, nor has it been achieved by borrowing. They have balanced their budgets, sir, by the old-fashioned family virtue of not spending money which their taxpayers cannot afford to pay. It is a principle which I may well recommend to hon. members opposite as a sound basis of public as well as private finance.

However, merely not spending does not solve the problems of municipalities. It is well known to every hon. member that the backlog of necessary and long overdue municipal capital expenditure is the most pressing single need in Canada today if we are to maintain and improve the standard of living to which we would appear to be entitled as a result of the great bounty of Providence and the hard work and energy of our people.

We are told that Canada leads the world in industrial expansion. Canada is booming. Our productive capacity, our national income, and our output of goods are rising to dizzy heights undreamed of even a decade ago. For what reason? For what reason, Mr. Speaker, do we work, save and invest, except to raise our family and individual standard of good living? Why sir, they are the very things that we expect our municipalities to provide—hospitals, schools, community services and comfortable, well protected homes, well supplied with power, water and sewage systems in keeping with a progressive civilization.

What is the situation today? The plain fact of the matter, Mr. Speaker, is that we are lagging behind in all these things. We are not getting the benefits of the boom because our municipal governments are being denied a fair share of the Canadian tax dollar. What good is prosperity expressed only in terms of million and billion dollar industrial plants, if it does not reflect on the home and the standard of living of the residential community?

Not far from the borders of my own constituency of Ontario we have the billion dollar mile on the eastern limits of Toronto. It is a magnificent industrial achievement, the credit for which, incidentally, must be given to wise and farsighted municipal government in the township of Scarborough. Here we see the industrial boom at its biggest and best. Huge new plants by the dozen have been rushed to completion along both sides of what was a farm road a few years ago. Already a billion dollars has been invested in plant and equipment in that fabulous mile, and more is being added every week.

Only a few miles away—15 at the most—there is a thriving village in my constituency. It is no backwoods hamlet. It is an old community settled 150 years ago by United Empire Loyalists and situated on Ontario's main street, the great east to west thoroughfare linking Toronto and Montreal. On a clear day you can see the smoke rising from the factories along the billion dollar mile; and yet, Mr. Speaker, the residents of Pickering village canot afford a municipal water system, surely one of the earliest

evidences of progress in community living in this country. Indeed, sir, when there was severe drought in that area last month, some of the trucks hauling supplies for the billion dollar mile had to be diverted to the town of Whitby to haul water by the tankful for the homes of Pickering.

It may be said, of course, that Pickering could have water if its citizens were willing to pay for it. That is true. But it is also true that they have investigated the matter thoroughly and have reached the conclusion, expressed at the polls last December, that they could not afford to pay the additional taxes which would be required to finance it. Why? Because, sir, they are already so overburdened with federal taxes that they have reached the breaking point. This is the situation in most of our municipalities today. Regardless of what the opinion of the federal government may be, these local governments, which are close to the people, and which must account to them every year, know there is a limit to the bearable taxation load. They hesitate to add to that burden when they see the federal government reaching into the taxpayers' pockets with an increasingly heavy and greedy hand every year.

I say, Mr. Speaker, that a serious and indeed dangerous state of affairs has been reached in this matter. A few months ago the annual meeting of the Canadian federation of mayors and municipalities was held at Calgary and those present heard the results of "An Analysis and Study of Urban Growth and Municipal Finance"—that is the official title—prepared by Mr. D. C. Corbett, a lecturer in public administration at McGill university. In that report I read the following summary of the present plight of our municipalities:

> Everywhere one goes, on the outskirts of growing cities and towns and in the new suburbs, one sees streets unpaved, and sidewalks not laid. Water, sewerage and street lighting, far from preceding the new developments, have not yet caught up with them in many areas. We hear of new districts where residents buy their water by the pail and where the spring thaw mires the roads.

The same is true, of course, of the older municipal areas. On this I think I can quote no better authority than the premier of the province of Ontario. In a recent speech in the Ontario legislature he had this to say:

> The municipalities of Ontario face an acute problem in their efforts to restrict or curtail the construction of many projects which are essential to their operation. Facilities such as water supply systems, street car and bus lines, streets, schools and disposal plants which may have been adequate a decade ago are now breaking down under the wear and tear of trying to provide services for their populations which in many instances have increased by 50 per cent.

The municipalities of all our provinces face the same problems. We may call these organizations of local government by different names—counties, parishes, townships, cities, towns or villages—but in the long run they are all part of a level of government which is just as essential to the federal principle as are the provinces or the government of Canada. It will be, indeed, a catastrophe if the time should ever come when they are forced into obscurity or insignificance by the taxation grab of any other level of government. This, to my way of thinking, is the real danger of the centralization of so many of the functions and powers of government here in Ottawa.

On the other hand it will be just as much a calamity if the municipalities are forced, by the sheer necessity of everyday problems, to so increase the taxation load that home owning becomes in Canada a mark either of great wealth or economic folly. I need not remind hon. members that no less than 80 per cent of all municipal taxation is borne by real estate. There are other sources of income but our municipalities, far from reaching out to impose more and more taxes, have deliberately restricted their own sources of income in the public interest. It is true that we have a municipal sales tax in a few cities, and taxes on gas and electric bills in another. We hope these are temporary expedients only, and that in time they will be made unnecessary by wiser taxation policies of the federal government. It is not so long ago, Mr. Speaker, that we had a general levy of municipal income taxes in this country. We shall all hope that their return will never be forced upon our local governments.

Now, Mr. Speaker, I may be asked what the federal government should do, in an immediate and constructive way, to help this critical situation. I do not have to go far afield to find the answer. In the first place there must be a re-balancing of the taxation books between the federal government on the one hand and the provinces and municipalities on the other. In other words the central government must learn—as we have all to learn in our private lives—to get along with less. Taxation must be reduced.

Particularly the federal share of the Canadian tax dollar must be brought within reason to allow the municipalities to levy taxes which are at least close to being within keeping with the increased demands on their resources. After all, this relationship between federal, provincial and municipal governments is a family affair. There is only so much money in the family budget, and if one member of the family takes more than he needs, the others must suffer. We do not say that all should share equally, but it does seem to make sense that each should participate in the family finances, not according to his strength, size or power, but according to his needs as agreed upon in family council.

And that is my second suggestion, Mr. Speaker; the calling of a friendly family council to discuss these matters. Specifically I suggest the reconvening of the economic committee that was set up with such high hopes a few years ago during the federal-provincial discussions of the immediate post-war years. It met, I believe, in December 1945 and in January 1946. Then it faded somehow out of existence. The municipalities of Canada have asked that it be reconvened on a very wide basis of representation, and I urge the government to give this immediate consideration.

There are many things which could be worked out to the mutual satisfaction and advantage of all of us in such a setting. To mention only two, there is the taxation of crown property and crown companies; the exemption of municipal purchases from the federal sales tax to the same extent and for the same good reasons that provincial purchases are now exempt.

These very questions, I am informed, will be brought to the attention of the federal government this week when a delegation from the Canadian federation of mayors and municipalities calls upon the government here in Ottawa. That meeting, Mr. Speaker, could be a momentous one for the whole future of this country if the government will look upon the delegation in the spirit in which we would expect the senior members of any family to listen to a plea from its junior members for assistance in a financial matter whose seriousness is no fault of their own and whose solution is beyond their income and allowance. I hope they will not receive, instead, long and learned lectures on the British North America Act or the usual unreal excuses that the head of family is too hard-pressed financially to help. Most of us know better.

Above all, sir, the government will render a great service to all the people of Canada if they will admit their share of responsibility for the plight of the municipalities. For it is the weight of federal taxes that embarrasses every one of the 4,000 municipalities of this country. It is a weight so burdensome and unbearable that it threatens their future, and thereby endangers our whole democratic system. For taxes, Mr. Speaker, may not only cripple; they can also destroy.

The wise words of the great Chief Justice Marshall in the supreme court of the United States as long ago as the year 1819 are as valid in this municipal problem as they proved to be in those problems which confronted our neighbours to the south many years ago. None of us, sir, has any doubt about the power of this present administration to tax us, but we do ask that in these things which so closely touch our daily lives they heed John Marshall's warning to all who have great taxing powers:

> The power to tax, is the power to destroy.

Mr. J. S. Sinnott (Springfield): I believe it is a coincidence, Mr. Speaker, that in this debate a long-time reeve of a municipality should follow the young mayor from Oshawa. I do not know just how long he has been mayor, but judging by what he has said in the house I do not think it has been very long. He has still much to learn about being mayor.

This may well be the last time I shall take part in a debate on the address in reply to the speech from the throne.

Some hon. Members: No, no.

Mr. Sinnott: At this time I wish to offer my sincere thanks to all the members in this house who have been so kind and co-operative during the past seven years. We have had our differences at times during debates, but on the whole you will not find a better group of men with whom to work.

There are a few very important subjects to which I should like to draw the attention of the government. First of all I should like to make a clear statement concerning a newspaper article which was carried in the Ottawa *Journal*, entitled "Had to Play Ball with the Cabinet". When this newspaperman inter-

viewed me I told him I was a member of the Liberal party, that we could get along very much better if we worked together than if we worked separately, and that in doing that sometimes I had a sense of duty to work with my party. Newspaper reporters, of course, can always twist words to suit themselves, and that is quite natural on the part of opposition newspapermen.

At the outset, Mr. Speaker, in spite of the fact that certain members of the opposition have made several charges of waste and extravagance against the government, up to the present time there has not been one bit of evidence to prove their charges.

Some hon. Members: Hear, hear.

Mr. Sinnott: The opposition was crying to the high heavens about overtaxation, but in not one single instance has that party put forth any concrete suggestions to amount to anything. They have talked about a few neckties, a few dishes and a few teapots, but in total the amount is incidental. At no time in the history of Canada has this nation been better off financially; at no time in the history of this country have there been so many people actively employed; at no time has this country been looked upon by the rest of the world as such a good place for financial investment. At no time has our income from agriculture been so abundant in volume, and at no time has our industrial capacity enjoyed such great expansion. To cap it all, at no time has the Canadian dollar been at such a high premium, thereby encouraging much foreign investment which, in turn, is a great help to our national expansion.

Mr. Speaker, I should like the whip of the Progressive Conservative party to notify his chief that I am going to talk about him later on and that I should like him to be here to hear me. The cry of the opposition has been and will continue to be that the Liberal government has taxed the people of Canada to death.

An hon. Member: Hear, hear.

Mr. Sinnott: I hear someone say "hear, hear". That is the only slogan they can find at the present time. I wish at this time to say that no country in the world under any government has a better record of financial improvement and expansion than has our present government. For six consecutive years we have had a balanced budget with a fair surplus. Ours is a government which has brought in important measures of social security, including family allowances, unemployment insurance, floor prices for agricultural and fish products, veterans' benefits, pensions for the blind and old age pensions. In the year 1951 over a billion dollars was spent by the government to provide these services, while at the same time having reduced Canada's national debt to the tune of approximately $2½ billion; and if this were not paid, our tax load would be increased a further $62 million per year for interest charges.

Is it the policy of the opposition to have this cancer of civilization which is called interest take away most of our profits? If that is so, it is certainly not the policy of the present Prime Minister (Mr. St. Laurent), his Minister of Finance (Mr. Abbott) or his government. Mr. Speaker, to make a long story short, our 1951 tax dollar was spent as follows: We spent three cents in payments to the provinces in subsidies and tax rentals. Fourteen and a half cents of our tax dollar were paid back to the people of Canada in social security measures. Five and a half cents of our tax dollar were paid to Canadian veterans of both world wars and Korea. Thirteen and one-third cents were paid in annual charges on our national debt. Six and a quarter cents were paid to reduce the national debt. Thirty-six and one-third cents were applied to Canada's national defence, and I do not suppose anybody complains about that. Twenty-one cents were spent on all activities and services provided by the government; that is, railway transportation, railroads, ships and the rest of it.

I want to emphasize the fact that a large portion of the taxes over which the opposition are crying so much is for purposes other than the operation of the federal government. I refer to the large increase in subsidies and tax rentals which have been turned over to the provincial governments and which have been passed on to the municipalities; and they in turn have passed substantial amounts on to the various school boards. I want to direct the attention of the last speaker to these facts.

The opposition has repeatedly stated how terribly poor some municipalities have found themselves to be, and that comment applies

to the last speaker. One of their members referred to the increase in taxes from $252 to $700, and at the same time that 45 per cent of the increase was due to special school taxes which would amount to some $315. This statement, Mr. Speaker, has nothing whatsoever to do with the federal government but is merely a red herring which has been drawn across the trail so that this member may fool some of his constituents who are not familiar with the way the municipal and school boards raise their funds.

Mr. Speaker, I am told that the Leader of the Opposition is behind the curtain. I should like to have him come into the chamber. The Leader of the Opposition spent a considerable amount of his time on this same theme, knowing full well that this is strictly a provincial and municipal matter. The financial critic of the Progressive Conservative party, (Mr. Macdonnell) and the hon. member for Eglinton (Mr. Fleming) who have had a good deal to do with public finance, and the hon. member for Broadview (Mr. Hees), have all failed miserably in their attempts to paint an adverse picture. Of course, Mr. Speaker, you cannot blame them too much, when they are trying their best to assume power in this country—and God forbid that.

The Leader of the Opposition used to be the premier of Ontario. Because of his attacks on the provincial governments, the present premier of Ontario has had to go to bat to defend the action which he has taken in helping the municipalities in Ontario. This quotation is from the *Globe and Mail* of December 2, 1952. The article is headed "Frost Defends Record on Municipalities' Aid", and I think it would be well for me to read it into the record because it is just exactly the opposite of what we have heard here from the opposition. It reads as follows:

> Premier Frost took the occasion of the opening of the new water filtration plant at Scarboro yesterday to defend his government's record in financial aid to the municipalities—but no mention was made of any impending increase in that aid.
>
> Taking Scarboro statistics, he illustrated the change in his 10 years as provincial treasurer. In 1943, exclusive of education, Premier Frost said Scarboro was receiving $48,380 from the province. In 1952 this amount had grown 677 per cent, he said, to $375,778. This included fire, police, children's protection and assistance for Home for the Aged, but the biggest single item was road maintenance and construction which has grown from $23,250 to $315,000.
>
> In the same period, Premier Frost said, assistance to schools has increased by 600 per cent.

I want the last speaker to take particular notice of that item, Mr. Speaker. The article continues:

> In 1944, the total education subsidies were $74,981; in 1951, $524,725. In addition, through the Municipal Improvement Corporation, the province has helped Scarboro purchase $3,965,000 in bonds at much less than market cost, he said. Purchase of another $394,000 has been authorized, and about $445,000 additional is pending.

If that is not substantial aid, I do not know what is. To continue:

> These tremendous sums which are common to municipalities across Ontario have substantially supplemented the work of municipal councils, Premier Frost said. This is keeping our municipalities strong and solvent in days of most extraordinary demands and growth.

What does the hon. member for Ontario think about that? The article continues:

> While we all feel the impact of high costs and the high cost of living, this assistance has very measurably decreased the taxes which our real estate owners pay, the premier said.

These are the words of the premier of Ontario, and they are the exact opposite of what the hon. member said here a short time ago.

In order to give a little more light on where this extra money is coming from I should like to quote some figures which I obtained from the bureau of statistics. They are tax rental payments to the provinces under the terms of the tax rental agreements. I am not going to read them all, but with the consent of the house I should like to put them on *Hansard*, because they are very enlightening. I should like to give a little illustration of the totals in the four years previous to the present time. In 1949-50 the total tax rentals received by all the provinces of Canada amounted to $99,874,082; in 1950-51, they increased to $111,506,696; in 1951-52 they had increased to $122,415,769 and in 1952-53, this year, the opposition say the federal government are taxing the people to death but they gave back to the municipalities the sum of $284,219,011. The opposition say the federal government is taxing the people to death, but a large proportion of the money is being returned to the people through the provinces, through the municipalities, and through the school boards.

Just a few weeks ago the premier of Ontario saw the light of day. He was getting no tax rentals in 1949-50, none in 1950-51 and none in 1951-52. But after he saw the light of day what do you think he got? He got $123,327,363 from the federal treasury in 1952. If that is not a generous handout from the federal government I do not know what is. Therefore when our Tory friends go around the country telling the people that the federal

government is taxing the people to death, I want them to be honest and fair and tell the people that a large proportion of those taxes is returned to the provinces. I think that pretty well sums up the position with respect to tax rentals from the provinces. With the consent of the house I should like to put this schedule on *Hansard* and have it added to my speech so it will inform hon. members just exactly what the provinces are getting.

Mr. Ross (Souris): Read it all.

Some hon. Members: Read it all.

Some hon. Members: No, put it on.

Mr. Deputy Speaker: Is the request of the hon. member agreed to?

Mr. Ross (Souris): No.

Some hon. Members: Yes.

Mr. Sinnott: The schedule is as follows:

Tax rental payments to provinces under terms of tax rental agreements
(In addition to statutory subsidies)

Province	1947 Agreements 1949-50	1950-51	1951-52	1952 Agreements 1952-53
	$	$	$	$
Newfoundland	6,549,745	7,372,231	8,143,744	10,722,461
Prince Edward Island	1,983,776	2,234,145	2,474,286	3,258,739
Nova Scotia	11,617,199	12,899,563	14,075,951	18,093,575
New Brunswick	9,504,980	10,581,550	11,571,895	14,945,605
Ontario	....	....	....	123,327,363
Manitoba	14,608,738	16,221,061	17,775,291	23,004,768
Saskatchewan	15,152,776	16,600,091	17,972,432	23,529,886
Alberta	15,676,357	17,783,572	19,830,983	27,241,552
British Columbia	24,780,511	27,814,483	30,571,187	40,095,064
	99,874,082	111,506,696	122,415,769	284,219,011

The payments shown for three years under the 1947 agreements are those as finally calculated in June, 1952.

The amounts shown as payable in 1952-53 under the 1952 agreements are subject to recalculation.

I was very pleased to see the fine results of the resale price maintenance bill all through the country. Electric refrigerators, electric stoves and many hundreds of articles are now being purchased on a competitive market. I recall how strenuously our Tory friends fought the investigation in committee, as well as the hon. member for Moose Jaw (Mr. Thatcher) of the C.C.F. party, who made a right-about turn. However, those who were crying crocodile tears and blue ruin are still maintaining thriving businesses, including the hon. member for Moose Jaw. I understand that his refrigerator business has increased 40 per cent.

When our Tory friends talk about cutting down expenditures may I say this. It might have been good policy on their part to have stopped talking just before Christmas last year, and thereby avoided bringing all the members back here at additional expense to the country. The country was put to the expense of thousands of dollars, which can be attributed to nobody but our Tory friends. The C.C.F. party, the Social Credit party, the independents did not vote against the bill, but the Tories voted to protect their manufacturing friends to the limit.

[Mr. Sinnott.]

The hon. member for Brandon (Mr. Dinsdale) and the hon. member for Winnipeg South Centre (Mr. Churchill) made several repetitious speeches during the debate, and one cannot forget what a disservice they rendered to their constituents and to Canada as a whole. There, Mr. Speaker, was the true Tory party catering to their manufacturing friends, trying to dictate to the consumers of Canada; but thanks to the Minister of Justice (Mr. Garson) and the Liberal party we were able to render a real service to the people. When the vote came on this issue the Conservatives voted alone against this legislation. They voted alone against legislation which saved the consumers of Canada millions of dollars.

I think the recent appointment of the former attorney general of Manitoba to the position of chairman of the restrictive trade practices commission is to be commended. He has every qualification for the position. His appointment will do much in the years to come to keep down the ever-increasing groups uniting in order to stifle competition.

I also wish to congratulate the government on the appointment of the hon. member for Coast-Capilano (Mr. Sinclair) to the post of Minister of Fisheries. I am sure it will meet

with the approval of all the fishermen of the east coast as well as the west coast, and particularly his constituents. I also wish to express my sincere congratulations to the hon. member for Vancouver Centre (Mr. Campney) on his recent appointment as Associate Minister of National Defence.

As to the interruptions coming from a place called Peterborough, I think, may I say that we have been trying for a long time to nail the hon. member down, and I am going to nail him down right now. He asked me who wrote my speech. Here are my rough notes that I wrote myself in my room. Come over and have a look at them. Furthermore I did not have the help of the Conservative party as has the Leader of the Opposition. I did not have the help of Rod Finlayson.

Mr. Fraser: No; Pickersgill.

Mr. Sinnott: I am talking about the Leader of the Opposition who read every word of his speech.

I wish now to take a few minutes to divulge exactly what is taking place with regard to the exorbitant prices farmers are paying for their farm machinery. There is what is called a retail farm dealers' association, which meets once a year, at which dealers throughout the country gather. There methods of distribution, rates of commissions, and so forth are discussed. Prices are arranged and a program is drawn up for dealers to follow. Commissions are set, and so forth, on implement sales and parts. Commissions on implements and parts have greatly increased in the last few years, with the result that dealers now charge a commission as high as $1,500 on the sale of a self-propelled combine, which two men can put together in two days.

Mr. Ross (Souris): It is more than that.

Mr. Sinnott: Surely this is most unreasonable. I think the hon. member for Souris said the commission is more than that. If it is more than that I should like to know the exact figures. Farmers as a whole do not complain, but, Mr. Speaker, I think the time has come when the chairman of the restrictive trade practices commission should look into this highway robbery to which farmers have been subjected.

While on the subject of exorbitant prices, may I say that there is plenty of room to investigate the prices charged for ladies' shoes and apparel. I am sure the ladies of this country would be very pleased if something were done about the prices of the shoes which they have to buy. Some shoes consist of only a few ounces of leather, for which prices range to as high as $22. Large manufacturers and retailers are gouging the consumers for all they can possibly obtain. Here again this is not the fault of the government, but the get-rich-quick idea is to blame. Here is a place for the restrictive trade practices commission to step in.

Building material is another item which needs a thorough investigation, especially the cement business in the city of Winnipeg. If ever a combine situation existed any place to keep the average person from obtaining enough cement to build his own home that condition certainly prevails in Winnipeg. No cement whatsoever is available to a private individual. Yet you can call up a certain company and all the cement you require will be poured in your basement for the small sum of $14 a yard. Talk about cheap homes; no, sir, not as long as this kind of distribution continues, and I suppose this method exists in all parts of Canada. Here is another job for the combines commissioner. The price of lumber is another item which is worth while looking into. I am sure these subjects I have mentioned will receive very careful consideration by the government and its law officers.

Another matter I should like to draw to the attention of the house is that almost everyone is led to believe that the western farmer receives $2 per bushel for his wheat on the farm. Such prices are a long way off the beam. All prices quoted are f.o.b. Fort William, which nets the farmer on an average for the three prairie provinces:

No. 1 dry wheat	$1.68
No. 2 dry wheat	1.66
No. 3 dry wheat	1.64
Feed dry wheat	1.34
Damp feed wheat	1.32

These prices are subject to a 1 per cent deduction for the P.F.A.A. which works out at less than $1.52 on the average. Quite a difference, I am sure.

Now to make my statement more clear as to what I would like to accomplish, it is to reduce the cost of production to the grower and at the same time make it possible for the eastern feeder to obtain his feed grains at a lower cost. As it is at the present time, the western farmer is asked to pay the freight on all grain shipped to the lakehead, and again he is asked to pay the freight on all his agricultural implements, farm trucks, et cetera, going west to his farm. In this way the western farmer is required to pay the freight both ways.

If the manufacturers were to pool the various shipping destinations and make an over-all price applicable to all parts of Canada, an implement now costing $6,000 in

western Canada would be considerably less. The adjustment in commissions on the same farm machinery costing $6,000 would mean that it could no doubt be bought by the farmer for something less than $5,000. This would reduce the western farmer's operating costs, thus enabling him to produce much cheaper. He would then be able to compete on a more equal basis with other exporters of grain. The farmers in the west, due to freight, have to pay approximately $200 to $400 more for each large tractor and family automobile.

I understand that an application was made some time ago to the railways by the railway unions for an increase of 45 cents per hour. A board of conciliation did award a 16 cent per hour increase which up to the present time has not been accepted by the railway unions. I should like at this time to strongly protest the action of the union leaders in not accepting this very favourable increase. The cost of living has been continuously declining for the past four or five months. Prices of farm products have been dropping by from 10 to 30 per cent. Therefore the demands being made by the railway unions are not only totally unwarranted and unjustified, they have become a chronic disease. I do not pretend to be unkind to labour and I have always advocated a fair day's pay for a fair day's work, but the time has come when labour union leaders must realize they have to be honest and fair with the rest of the country as well as themselves. These continuous demands for higher wages in turn only cause the railways to ask for higher freight rates which in turn makes it impossible for the cost of living to be reduced.

It might be well for the labour unions throughout the country to realize that the present government has bent over backwards to meet their demands, but that the time has now come when the government itself will be forced to say "no" to further increases even though it takes the chance of being turned out of office. Union leaders would do well to think back to the days of the thirties when there were soup kitchens and men were being paid $5 a month by the Bennett government to stay on the farm. This situation could very well come again if labour is not reasonable in its demands.

I have a resolution prepared which I shall introduce in the House of Commons as soon as the resolution which I have now on the order paper has been disposed of, and which will read as follows:

Resolved, that, in the opinion of this house, in view of the emergency now existing and the urgency of a program of war preparedness, the government should take into early consideration the advisability of introducing legislation to make strikes illegal for a period of two years, providing, at the same time, for the settlement of labour disputes by arbitration between labour and management.

In conclusion may I say that in my opinion we are very fortunate to be able to say that Canada is the envy of the world. No other nation with our population can come anywhere near the record of achievement by its people or by its government. I therefore take great pleasure in closing by saying good luck to you, Mr. Speaker, good luck to the government and good luck to the rest of my colleagues in the House of Commons.

(Translation):

Mr. Maurice Breton (Joliette-L'Assomption-Montcalm): Mr. Speaker, like the hon. members who have preceded me, I have the pleasure to pay a tribute to the two brilliant members who have moved and seconded the address in reply to the speech from the throne, the hon. member for Brome-Missisquoi (Mr. Deslieres) and the hon. member for Waterloo North (Mr. Schneider). I also take this opportunity to congratulate the new members for Outremont-St. Jean (Mr. Bourque) and Richelieu-Vercheres (Mr. Cardin). The house will surely benefit from their presence in our midst.

I have read carefully the speech delivered by the hon. member for Labelle (Mr. Courtemanche) and I could not help seeing that the political creed of the party to which he belongs has not varied from time immemorial since he is still ready to uphold at any cost the very excesses of what they call the incomparable advantages of private enterprise.

Whatever the subject of the debate, whether it be the prohibition of resale price maintenance, the act concerning combines and monopolies, or the question of broadcasting and television, the hon. member for Labelle always adheres strictly to the classical and well-known line that the "profit" motive must alone be responsible for anything that is fine and good in our modern society.

Does not the hon. member imply that the government are becoming socialistic because they have to a large extent given effect to the conclusions of the Massey report on the arts, letters and sciences, as did their predecessors when dealing with the Aird report on radio broadcasting.

If my colleague has that word "socialism" at heart, may I add that there is not much to choose between socialism and the abuses of private initiative. Many countries have obtained good results steering a middle course, that is to promote private initiative while trying at the same time to remedy

some of its inescapable abuses. That is what the present government tries to do by giving effect to the recommendations of the Massey report on radio broadcasting and television.

And now, since the hon. member for Labelle neglected to study the question from every angle, it would be a good idea to go back a little and consider the reasons why the C.B.C. entered the field of radio broadcasting and television.

Thirty years ago, the Canadian people were beginning to take an interest in radio broadcasting. Radio broadcasting was becoming a wonderful means of recreation and culture for the entire population, rural and urban, and particularly for those citizens who had to live alone, isolated from their neighbours by the vastness of the country.

Our first programs, as could be expected, were brought in from the United States for the benefit of those who lived near the border. For quite a few years, the government limited its activity to the granting of permits for receiving sets and broadcasting stations. The first license was granted in 1919. In 1929, ten years later, there were in Canada 10 broadcasting stations and 296,926 receiving sets, most of them located in large cities, and our rural population, especially the isolated settlements in the western provinces, had to forgo the benefits of this invention.

The Aird commission, established in 1928 to inquire into the field of broadcasting, praised the efforts of private enterprise but deplored the growing commercialism which characterized the new industry, the all but dominating influence of American music and advertising, the gradual lowering of the quality of the programs which were automatically adapted to the poorest cultural standard of the listening masses.

Besides, a large proportion of the people, those who live in the country far from the large cities, were urging the government to intervene so that they might enjoy as soon as possible the numerous advantages of radio broadcasting.

Consequently, after an investigation conducted among many groups, the government decided to intervene in order to establish in Canada a radio broadcasting system so as to, first, set up a national network; secondly, protect this propaganda medium against an overdose of American influence; thirdly, to encourage our Canadian artists.

Certain aspects of the policy of the Canadian Broadcasting Corporation may have been open to criticism. But, out of 170 various organizations whose opinions were sought by the said corporation, such as the Canadian Congress of Labour, the Canadian Federation of Agriculture and others, the greatest majority supported the stand taken by the government on radio broadcasting and television.

Profiting from the experience acquired in England, where radio is an absolute state monopoly, with no commercial advertising whatever, and in the United States, where radio is an entirely private concern sponsored by commercial and industrial firms, the Canadian government had decided to steer a middle course and to aid the public while, at the same time, allowing private enterprise to compete with the official network.

Then, at last, came the organization of television in Canada, an undertaking which has aroused, and for that matter is still arousing, greater enthusiasm than all the others.

At present relatively few countries enjoy television broadcasts. Great Britain, France, the United States, Russia, Mexico, Brazil and Cuba were the only countries providing television services in 1951, when the Massey report was completed. There were, at that time, two television stations in Russia, two in England, two in France and 107 in the United States, the latter being distributed amongst 66 American cities.

The only other countries which are at present concerning themselves with television are Italy, Denmark and Switzerland, but, so far, they have not progressed beyond the experimental stage.

England and France have organized television as a state monopoly, without any commercial advertising. The United States alone, followed by Mexico, Cuba and Brazil, rely exclusively on the trial and error method of free enterprise.

It is true that television has developed more rapidly in the United States, under the system of private enterprise. But it was at the price of enormous costs which could be justified by the great profits made by radio, by the large urban population and by the wealth of sponsors. Canada can neither afford such luxury nor fall completely under the control of American television whose publicity extravagances and low quality programs have even been criticized by the Americans themselves.

It may be that a certain number of listeners are contented with baseball, hockey or wrestling. But there are others who would prefer a much wider variety of programs comprising good music, theatre, and educational features.

Commercial experience has shown that it is hardly possible under a solely private system to better the quality of the programs and

especially to build up a national system for the great majority of the Canadian people.

I wonder if my colleague had considered all these factors when he criticized the policy of the C.B.C., if he had considered the tremendous effect that television will have on the customs of our people, particularly on the education of our children. Is he going to go on holding that the "profit" motive must be the decisive factor in the use of television in Canada?

England was the first country in the world to have television broadcasts, which have existed in that country since 1936. There experience has taught the English people that television implies a moral and cultural responsibility which private enterprise, prompted by the profit motive, cannot take upon itself alone.

"All the men and women who devote all their energies to broadcasting—

declared the general manager of the B.B.C., Sir William Haley—

should know how to hold out against the pressure put on them by people who are all the more vocal for not knowing what they are talking about."

Would the hon. member for Labelle suggest that the chairman of the B.B.C. was wrong in making that statement?

On the other hand, here is a letter addressed to the editor of the *Times* on December 20, 1950, by a British citizen, on his return from the United States. You will find the text of this letter on page 413 of the Massey report. I quote:

In your issue of December 17 you announce that the B.B.C. proposes to spend over £4m. during the next three years on the development of television. I have just returned from a visit to the United States, where television (though not, I believe, more highly developed technically) has become an habitual form of entertainment in many more households than here. Among persons of my own acquaintance I found only anxiety and apprehension about the social effects of this pastime, and especially about its effect (mentally, morally, and physically) upon small children.

Before making an effort to popularize it further in our country, why could we not consider its results with regard to the American people and gather some information from experienced opinion in the United States about possible safeguards and restrictions? The concern expressed by my American friends could scarcely be dispelled by televising only programs of a superior and inoffensive kind; it was due to the television habit, whatever the program might be.

May I add that my hon. friend should remember that, without the C.B.C., the French-Canadian group would necessarily be at the mercy of American programs, which are less costly than our own.

If there is a field where those who speak our language must ask the government for help, it is undoubtedly the field of television; for, assuming responsibilities and considering motives superior to the production cost, the state alone is able to bear the continuous burden of educational and artistic programs in French.

May I conclude my remarks by giving some figures concerning the cost of television.

A broadcasting station with studio and modern equipment costs $2 million; a single transmitting station costs $250,000; a co-axial cable for the transmission of pictures costs about $10,000 per mile; broadcasting time costs $1,500 to $3,000 an hour, according to the number of programs and not including their content.

On the other hand, rapid technical progress in television and the setting up of colour television give rise to as many financial problems which would prevent the normal development of television in Canada. Private enterprise could not alone assume all those risks without help from the government.

The very limited number of wavelengths creates another kind of problem which has to be faced.

For all those reasons, the government was wise and well-advised to entrust the C.B.C. with the task of initiating television in Canada.

Private enterprise and commercial advertising will have their place in the organization of this new instrument of culture and entertainment as they have it in the field of radio. We are looking forward to the day when private stations will be set up in every part of Canada to supplement the work of the C.B.C.

In this field as in all others, we are certainly in favour of private enterprise; however, we recognize that it cannot alone assume the physical, moral and intellectual responsibilities for an invention which is bound to revolutionize our way of life.

(Text):

Mr. Speaker, the excellent work presented by the chamber of commerce of Montreal last November on the problem of provincial and federal revenues, the agreements signed by all provinces of Canada except Quebec with the federal government, emphasize the urgency of a settlement of the fiscal problem. The chief of the federal government, by convoking the federal-provincial conference in 1950, has proved his intention to reach a useful conclusion to the necessity of the constitutional amendments compatible with provincial autonomy.

The Leader of the Opposition (Mr. Drew) has also expressed his desire to respect the provincial autonomy, but his declaration has been contradictory on many occasions, as

was demonstrated by the hon. member for Quebec-Montmorency (Mr. LaCroix). As this problem is of great urgency, especially regarding fiscal agreements, I believe that this house would like to hear a clear statement by the hon. member for Carleton on direct taxation. This clarification is of great importance in regard to the attitude of the leader of the Quebec provincial government, who is pretending freely that the federal government has no jurisdiction in direct ways of taxation. It is true that Mr. Duplessis has never said so at the federal-provincial conferences, either in 1945 nor in 1950, but it is a public contention intended to be only a political football.

I believe that as members of the federal parliament our duty is to discuss federal problems in their relation to the provincial government and, like all the members for the province of Quebec, I am anxious to see a settlement of the particularly urgent problem of taxation. If I am strongly favourable to the provincial autonomy, however, I do not think I can assume a position which is inconsistent with the confederation act, the interpretation of the judicial committee of the privy council and the accepted opinion of jurists and experts.

May I quote on this subject a declaration made by the hon. member for Carleton as it appeared at the plenary conference discussions of the dominion-provincial conference of 1945, at page 11:

> There is one fundamental weakness in the British North America Act which lies at the root of many of our difficulties. While the legislative powers of the dominion and provincial governments were defined with reasonable clarity, the division of taxing powers was left in a much less satisfactory position. The provinces were empowered to levy taxes in the field of direct taxation, as every one of us has so much reason to know, whereas the dominion government was authorized to raise money by any form of taxation.

May I ask the hon. member for Carleton how he can now reconcile this declaration with Mr. Duplessis' stand on the question? For my part I believe that the suggestion made by the hon. member for Quebec-Montmorency is a good one. In matters of direct taxation, especially in the income tax field, the federal government might prepare forms with federal-provincial headings. The provinces would receive no more subsidies or grants in return for their right to direct taxation on revenue but would share a percentage of those taxes.

I sincerely hope that the federal and the provincial governments will at last come to an agreement which respects both federal obligations and provincial autonomy.

Mr. Balcer: Mr. Speaker, I would ask that you call it six o'clock.

Mr. Drew: Mr. Speaker, just before the house rises, I have checked with *Hansard* in regard to a remark I made while the member for Portneuf (Mr. Gauthier) was speaking. I find it was not reported in *Hansard* and I simply wish to state that I interjected, in regard to the remarks he made about my applauding certain statements made at Roberval, that there is not a word of truth in the statements that he made.

Mr. Speaker: Of course I do not recall what took place at that time. I understood the hon. member for Portneuf to say that he had seen the Leader of the Opposition applaud the remarks. Now I take it that the Leader of the Opposition says he did not applaud the remarks.

Mr. Drew: Mr. Speaker, I had interjected a remark at the time but I checked with *Hansard* and it was not picked up. I made the statement then, and I repeat that statement, that the remarks the hon. member has made about that meeting are utterly untrue.

Mr. Speaker: I do not think that is in order. I cannot accept the statement that the hon. member for Portneuf has said what is untrue.

Mr. Drew: All I am doing is placing a statement on the record that I had thought was on the record earlier, and I am not asking you, Mr. Speaker, to deal with the question of fact.

Mr. Speaker: I must deal with charges against other hon. members, and it is against the rules of the house to charge an hon. member with making a statement which he knew to be untrue.

Mr. Drew: Mr. Speaker, I would draw your attention to the fact that I have not said that. I have said that the statement is untrue, and I do not ask you to rule on the facts. I have made the statement and that statement has been made on other occasions, as Your Honour well knows by the record; and I am simply stating that it is untrue and I am leaving that as a statement of fact.

Mr. Speaker: I can accept the statement that the Leader of the Opposition did not applaud certain remarks. I can accept that, but I cannot accept the statement that the hon. member for Portneuf said something that he knew was untrue.

Mr. Drew: Mr. Speaker, I repeat that I have not said what you have just quoted. I have said the statement is untrue. If you prefer it in the form that I did not applaud

the remarks, which was the statement which he made, I am quite prepared to have it that way.

Mr. Speaker: I think the house will realize the position in which I found myself when I first heard the remarks of the Leader of the Opposition, but I think he has now clarified the point.

Mr. Drew: I just realize that the remark I have made now might not be full enough. I wish to make it clear also that neither did I applaud them nor were the remarks made to which the hon. member for Portneuf has referred.

Mr. Knowles: Why don't you get the two of them together?

Mr. Speaker: I suppose that is a question of fact—the hon. member for Portneuf said they were made; the Leader of the Opposition said they were not made. They were both there, so I will have to leave it at that.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

(Translation):

Mr. Leon Balcer (Three Rivers): Mr. Speaker, for the past fifteen years or so, public opinion in this country has constantly been alerted on the question of the sharing of powers between the federal and provincial governments. The federal government has carried out an ever-increasing effort towards centralization. In this connection protests have come from every province in Canada and more particularly from the province of Quebec. Though other governments may be interested in the retention of provincial rights for financial reasons it is only natural that we of Quebec whose language is different, whose soul, culture, traditions and religion are different, should always have taken a very keen interest in the constitutional arrangements under which we are living.

Our representatives, in 1867, consented to join the rest of Canada precisely because, at that time, they were being offered a federative compact, since it was suggested that a confederation be established wherein the various powers would be apportioned between the central government and each of the various provinces in such a way as to ensure, for many years to come, the survival of our language, our traditions, of our French schools, in short of our very racial group.

Confederation is a constitutional pact between the two great races of this country. It is a document which we, from Quebec, have learned to admire, for it has favoured here, in Canadian territory, the prosperity of two ethnical groups of different cultures; it has enabled them to blend themselves firmly enough to make of the Canadian nation one of the great nations of the world.

Unfortunately, the spirit which at the time inspired the fathers of confederation seems now to have disappeared and, today, the very existence of this federative pact is shaken every day. The federal government is insatiable and wishes to monopolize all powers of taxation and thus relegate the provincial legislatures to the rank of administrative commissions.

The Quebec government has waged a stubborn fight, a daily fight against this exaggerated centralization of the central power and up to the last few months, it was supported by the Ontario government.

Unfortunately, the whole question of federal-provincial relations has taken a still more tragic aspect, especially since the prime minister of the most populous province of Canada has accepted the proposals of the central government. But here again, while he accepted these direct grants in return for the taxation rights surrendered by his province, the premier of Ontario did not hesitate to make it clear that it was regretfully that he consented to sign that agreement and that it was on his part a gesture of a purely temporary nature. He hoped that this question of the distribution of taxes would be the object of a more exhaustive study so that a new plan could be proposed without delay.

The fact remains however that Quebec is the only province which was able to refuse the mess of pottage offered by the central government. And, as a member from the province of Quebec, I can only rejoice that our province is headed by a government which has always sustained the rights of the provinces, while confronted by the centralizing pressure of the federal government.

In my capacity as a Conservative member, I note with pride that the Leader of the Opposition (Mr. Drew) is also imbued with the same respect for our confederation and that, at the very beginning of this session, he did not hesitate to raise this problem in the house and to demand, in his first speech, that a conference be held between the central government and the provinces, so that the latter may at last obtain justice.

It goes without saying that the provinces have not only rights but also duties. However, by taking over their sources of taxation, the federal government has increased its power in an exaggerated manner and has destroyed altogether the balance established between the provinces and the central government, under the British North America Act.

So that it is really the government which is to blame. It has monopolized taxation rights which, since 1867, belonged to the provinces under the pretext that this was essential for the conduct of our national war effort. But the government had more or less promised to relinquish those rights one year after the war.

The war came to an end seven years ago but the federal government has not yet relinquished these sources of taxation. It is determined more or less to starve the provinces as Mr. Filion so aptly put it in his editorial published last Saturday in *Le Devoir*. I quote:

> The power of taxation as understood by Mr. St. Laurent is the power to starve. According to the Prime Minister, Ottawa would be entitled to monopolize every source of taxation assigned to the central power under our constitution and to let the municipalities and the provinces go bankrupt.
>
> During the war, Ottawa got into the habit of taxing as much as it could and it never lost this habit altogether. It has used the moneys thus collected to set up social services which are within the fields of the provinces; it has accumulated from year to year considerable surpluses; last year, the Minister of Finance collected very close to three quarters of a billion over and above his needs.
>
> While Ottawa is rolling in wealth, provinces and municipalities have trouble to make ends meet. Nine Canadian provinces, several of them reluctantly, had to surrender to the federal government because they were unable to meet their obligations in any other way. Municipalities and school boards are all repeating the same desperate cry: their responsibilities are increasing while their sources of revenue remain inadequate.

Every day the federal government tries to obtain more and more from the provinces, asks them to abandon such and such a right in its favour, so much so that it has succeeded in getting all taxes to flow into its own coffers. In 1939, when the federal government was getting 51 per cent of taxation revenues, the provinces and municipalities were getting 49 per cent. Today, after thirteen years of Liberal regime, Ottawa is taking 77 per cent while provincial governments are getting only 12 per cent and municipalities only 11 per cent.

It is impossible for the provincial or the municipal authorities to collect another cent from the taxpayers when they are being clipped by the federal authorities as they are today through increased taxation.

So much so that during a period of prosperity like the one we are experiencing at the present time, the provinces and the municipalities, especially the latter, are unable to face their responsibilities. And they are forced to seek a handout from the federal government which is piling up surpluses.

The federal government is infiltrating every field of government under the pretext that the provinces are financially unable to cope with the situation, and if the provinces lack the means to do it, it is only because Ottawa takes all their resources away from them; the federal government is depriving them of their sources of revenue and taking everything for itself.

For instance, let us consider education. Education is the exclusive field of the provinces, granted to them by the British North America Act. While every province has always kept a jealous watch over its autonomy in the field of education, we, in the province of Quebec, realize that it is the very foundation of our racial and religious survival, and the population of the province of Quebec will never give up on that point.

No doubt the federal government, with its millions in surpluses, will put forward very tempting offers of direct subsidies. They should know, though, as the Leader of the Opposition so well put it, that what the provinces need in this connection are not horse traders' gifts, but merely the respect of those ideas which served to inspire the fathers of confederation.

If the federal government is seeking the disappearance of confederation, its replacement by a unitary state, let them say so, but let them put a stop to this policy of horse-trading and so-called gifts which are merely detrimental to the rights of the provinces.

The Liberal premier of Nova Scotia, a former member of the government, did not hesitate to raise the alarm.

This country is on the way to becoming, rapidly, a unitary state, a totalitarian state.

It is our duty, as members from Quebec, to see to it that this centralization, so harmful and so dangerous from the point of view of our racial group, be stopped as quickly as possible.

If we do not apply a brake to these centralizing tendencies, it is possible that ten or twenty years hence, the province of Quebec may well have lost its power to legislate.

And I am glad to belong to a party which was the party of confederation and which is headed by a convinced autonomist who did not hesitate to declare in the very legislature of Ontario the following words:

> There are excellent reasons why Quebec should attach particular importance to the provisions of the B.N.A. Act and should be less disposed to accept important amendments brought about without the consent of that province and without reasonable protection by way of compensation, if it is a matter of restriction to certain of its established rights. The province of Quebec considers with reason the B.N.A. Act as the guarantee protecting its civil law, its customs, its language and its religion . . .

These words were uttered by none other than the leader of the Conservative opposition.

Besides, the serious warnings of Premier Duplessis and of my chief have been heard and understood by the whole population of my province.

The vital importance of the question, both from the economic and the social points of view, has moved the forty thousand members of the chamber of commerce of Quebec to choose it as the main subject to be studied during its convention in Ottawa, and last week they presented to the Quebec legislature a brief in which they stated their opinion in no uncertain terms.

That body cannot be accused of playing politics because it is absolutely free from political ties with any party. It is, however, a gathering of French-Canadian businessmen who believe that the present situation is an evil one since the population of Quebec must pay higher taxes than the other provinces, simply because the provincial government refuses to yield to the pressure exerted in Ottawa in favour of centralization. I would like to quote an editorial written by Mr. L'Heureux, editor of *Le Droit,* the newspaper that the hon. member for Portneuf (Mr. Gauthier) was quoting with so much satisfaction this afternoon.

Mr. Gauthier (Portneuf): Surely.

Mr. Balcer: This article, which is to be found in the newspaper *Le Droit* of this day, December 2, 1952, shows the importance of the whole question under the title:

Provincial Autonomy

An important brief has been submitted to Premier Duplessis by the Chamber of Commerce of the province of Quebec on relations between the federal government and the provinces.

That public body justly affirms that never in the history of the Canadian confederation have the rights of the province of Quebec, so far as provincial autonomy is concerned, been so seriously imperiled. According to this group, the increasing centralization of taxation powers into the hands of the federal government reached its peak with the last world war and the 1947 tax rental agreements. Since the end of the war, the federal authorities have found no other solution to the problem than that of extending the application of the principles laid down during the last war in order to give renewed impetus to our production. Which means that the provinces and municipalities are deprived of the freedom of movement required to adjust their services to the people's needs. The provincial governments are getting only 13 per cent of the total tax revenues, instead of 28 per cent they were receiving in 1937.

Mr. Duplessis, whose firm stand in the fight against centralization was recognized by the Quebec Chamber of Commerce accepted the proposal in principle. For some fifteen years, the present Quebec government has been the only one to resist effectively. Quebec has been fortunate to have him at the head of her government for the past eight years. In all fairness, it must be admitted that if the people had not elected Mr. Duplessis in 1944 and kept him at the helm of her administration, Quebec's autonomy would undoubtedly have been sacrificed on the altar of centralization by those who would have been in power in the province.

True, that picture will not please politicians, but truth must come to light. Since 1944, the Duplessis government has been the bulwark of provincial autonomy against which all attempts from the centralizers in Ottawa have failed. In a way, its stout resistance can be said to be the Verdun of the epoch-making fight that went on in the dying days of the King regime and which is still going on.

Those are the words of Mr. L'Heureux. Again:

In the face of that united opposition, our statesmen in Ottawa should wake up and those who represent the province of Quebec in the federal field should also climb off the fence.

No better example can be provided of the importance of the present crisis than the views expressed by all the editorial writers of the province of Quebec, especially as regards provincial autonomy which is at present endangered as it has not been for the past fifteen years.

Mr. Speaker, those are the reasons why I heartily endorse the views of my leader on this matter and why I will support with pleasure his amendment to the address in reply to the speech from the throne in which he once more asks for a new understanding between the federal government and the provinces so that the latter may enjoy those powers of taxation necessary to discharge their duties and face their responsibilities.

Mr. Speaker, before concluding, I would like to say to the hon. member for St. Mary (Mr. Dupuis), who stated Friday that the hon. member for Labelle (Mr. Courtemanche) and myself were elected by luck, that we much prefer to have been elected as we have been elected rather than being a so-called independent who was not recognized by his own party as its official candidate, and who, in order to be accepted by his party, has nothing better to do than to sling mud at the person of my chief, the Leader of the Opposition. It was a surprise to me to see the hon. member for Quebec-Montmorency—

Mr. Dupuis: It is shocking.

Mr. Balcer: —do exactly the same thing, though he has much to be forgiven, when we consider how the scandal about C. D. Howe and Company was disclosed. No wonder he has something to be forgiven by his own party. I come now to the hon. member for Portneuf (Mr. Gauthier) who was so brave as to hide behind a door, during a meeting which we held at Dolbeau during the Roberval by-election.

Mr. Gauthier (Portneuf): Mr. Speaker, I rise on a question of privilege. I was in the hall, not behind the door.

Mr. Balcer: I come to the member for Portneuf, who was in the hall, and who was therefore personally able to view the triumphal reception accorded my leader by the people of Dolbeau on the occasion of the Roberval election.

Mr. Gauthier (Portneuf): It was well organized.

Mr. Dupuis: It was touching.

Mr. Balcer: The member for Portneuf quotes words which have never been uttered; which exist only in his imagination. Does he wish to render the leader of a party responsible for what his supporters say in the course of a campaign? I wonder then if the Right Hon. the Prime Minister approves Mr. Potvin, his official candidate in Roberval who, at a large meeting in St. Felicien said, and here I quote the dispatch published by the *Action Catholique* on May 20, 1952:

> Having recalled that the present electoral campaign was more than a battle between two political parties, but a war "between two races and two men of different religious beliefs" . . .

I wonder if the present Prime Minister would be proud to admit that these words are a part of his party's platform? And this same Mr. Potvin, the official Liberal candidate, declared in the same speech that a vote for Drew meant a vote for our economic and social ruin—

Mr. Dupuis: That is true.

Mr. Balcer: —in attacking with an unspeakable boldness—

Mr. Spence: Our people did not believe him.

Mr. Dupuis: That is true.

Mr. Balcer: —our clergy. I wonder if such policy is admitted by the hon. member for Portneuf. I wonder whether the member for Portneuf would be prepared to integrate such a policy into the program of his party. Besides, it is an old Liberal practice in the province of Quebec to deceive or garble the speech of the leader of the Conservative party in order to cause him injury, and they wish to have him known as a bogey, but the people have reacted otherwise and have already shown it in the provincial elections. The Canadian people judge men by their acts—

An hon. Member: That is true.

Mr. Balcer: —and the people will know that Mr. Drew is a guarantee of provincial autonomy and the people will recognize it. This worn-out practice which consists in saying to the people of Ontario that the leader of the Conservative party is too much of a francophile and to the people of Quebec that he is "anti-Canadian" will soon cease to bear fruit.

An hon. Member: Oh! no.

Mr. Gauthier (Portneuf): Oh! no.

Mr. Balcer: The hon. member for Portneuf says "Oh! no." Let me tell him that on the eve of the election the Toronto *Star* had a 10x12 picture spread over its front page. It was the picture of our leader and of Camillien Houde, and the caption said: "Vote against the Drew-Houde axis". Above this picture, the following words could be read: "Keep Canada British. Vote St. Laurent." These were in four-inch type.

Mr. Gauthier (Portneuf): I also have pictures.

Mr. Balcer: The Toronto *Star* saw to it that this picture was published on the Saturday previous to the election. But it did not appear in the province of Quebec. The Liberals tried to give to our leader the reputation of being "anti-Canadian."

Mr. Speaker, it is up to the people to decide and it will be up to the people of the province of Quebec at the next election to show its appreciation to the leader of the Conservative party, as, for instance, the French-speaking population of Ontario was thankful for the $100,000 grant to the University of Ottawa by the premier of Ontario, as well as for the excellent treatment meted out to the separate schools of his province. The French-speaking population showed its gratitude by electing seven out of eight of his candidates. The same thing is happening today and will happen again.

(Text):

Mr. Jean Lesage (Montmagny-L'Islet): Mr. Speaker, I have no intention of following the hon. member for Three Rivers (Mr. Balcer) in the last part of his speech, which was mostly political. However, I want to follow the first part of his speech in which he discussed specifically the fourth paragraph of the amendment moved by the Leader of the Opposition (Mr. Drew). This fourth paragraph reads as follows:

> We regret that Your Excellency's advisers have failed:
>
> (e) to reach agreement with the provincial governments in regard to a clearly defined reallocation of taxing powers so that the provincial governments and municipal councils may have adequate financial resources to carry out their rapidly increasing responsibilities.

In explaining that part of his proposed amendment, the Leader of the Opposition paid special attention to the province of Quebec, which he mentioned twice, and for reasons which are easy to understand. Since he has become the Leader of the Opposition, and as a matter of fact since he first had some hopes of becoming the leader of his party, he has been bidding for the Quebec votes, after taking a tremendous somersault. Having claimed in 1937 that the provinces had assumed powers meant for the federal government, and that we should go back to one strong government, he now claims, with an eye to the votes of the province of Quebec, that Ottawa should divest itself of still more powers in favour of the provinces, although those powers are given to the federal parliament by our constitution.

In our province, Quebec, we know very well, sir, the traditions of the Conservative party. We know what the Conservatives think; we know that their sudden love for our people, this extraordinary about-face, comes more from a lust for power that has been denied to them for so long by the people of Canada, than it comes from the heart. From the very beginning their great chief, the founder of their party, whom I respect, Sir John A. Macdonald, said in the parliamentary debates on confederation:

> Those who were, like myself, in favour of legislative union, were obliged to modify their views and accept the project of a federal union.

And later:

> We have strengthened the general government. We have given the general legislature all the great subjects of legislation . . . we will have in fact all the advantages of a legislative union under one administration.

How much like the Leader of the Opposition, Mr. Speaker, when he exclaims:

> We must start all over again from confederation, if we are to have one country instead of nine.

How history repeats itself, but how inconsistent is the Leader of the Opposition. This is, sir, the short story of the Conservative party for three-quarters of a century. Sir John, whilst renouncing his ideal of a unitary state, declared that confederation was to be a form of centralized federalism, and this has always been the aim and philosophy of the Conservative party. Let us remember 1934 and 1935 under Mr. Bennett. It is for this reason that in opposition to what took place in the United States, and in opposition to what was to happen later in Australia, the residue of powers was given in Canada to the federal government. The powers of the provinces were enumerated in 1867 in a very restricted list, being essentially those of a local and private nature, in line with the importance which Sir John A. Macdonald intended to give to the provincial authorities.

The federal government, according to Sir John, in 1866, was to have the right to appoint and dismiss the lieutenant governors of the provinces; also the right was to be granted to the federal government to disallow the laws passed by the legislatures within the year following their assent. We sometimes find it surprising that the distribution of powers between the federal and provincial authorities gave rise to so little discussion at the time. The explanation given by Sir John was that the delegates at the conference had realized the necessity of creating a strong and powerful central government. That is the record of the founder of the Conservative party.

Let us examine now what are the reasons alleged by the Leader of the Opposition to accuse the present government of centralization. I quote from his speech in this house on Monday, November 24, as reported at page 32 of *Hansard*:

> The rapidly increasing trend toward centralization of taxing powers has greatly weakened the position of the provincial and municipal governments.

The hon. member for Three Rivers has just made the same assertion in other words. The Leader of the Opposition (Mr. Drew) has learned to listen to his friends of the Union Nationale of the province of Quebec, of which the hon. member for Three Rivers (Mr. Balcer) is no doubt a proud member.

Mr. Gauthier (Portneuf): L'Union Nationale Conservatrice.

Mr. Lesage: Two or three weeks ago the premier of Quebec said in the legislature that the provinces had been robbed of their sources of taxation by the federal government, that the fiscal rights of the provinces should be restored and that the spirit of the pact of confederation and the intention of its fathers should be respected in that field. Those were the words pronounced by the hon. member for Three Rivers a few moments ago, that the intention of the fathers of confederation should be respected.

Many people seem to ignore or forget the facts. What were the real facts at the time of confederation? That is where we should look to learn what were the exact intentions of the authors of the British North America Act. At that time the provinces were using

very little of whatever taxation rights they had under the constitution, and in 1867 nearly two-thirds of the budgets of the provinces were met by subsidies paid to them by the federal government. Since then the provinces have gained more and more independence in that field until they have reached the point where if it could have been said that at the time of confederation the provinces were subservient to the federal government as far as taxation is concerned, they have now reached complete autonomy in the field of taxation.

For instance, in 1937 federal subsidies accounted for only 4·5 per cent of the budget of the province of Quebec. Listening to the hon. member for Three Rivers and to the outcries and accusations in relation to the centralization of taxing powers and against the present Liberal administration, one would expect that the trend had been reversed since 1937. On the contrary, in 1951 the total revenues of the province of Quebec were $275·5 million, of which only $3,300,000 was from federal subsidies, or a little over 1 per cent. The province of Quebec was collecting through its own means of taxation 99 per cent of its revenue, whereas in 1867 it was collecting only one-third. Where is their fiscal subservience in that? Does not the difference between 60 per cent and 1 per cent prove that far from having lost its fiscal autonomy the province of Quebec has now complete fiscal independence?

If you will allow me to say so, let us not be fooled by grandiloquent speeches, by outcries of Au voleur! A l'assassin! Non, écoutons plutôt la raison et les faits. Let us look at the facts; let us look at the figures; let us look at the record. Let me ask this question: Are there any provincial taxation rights that have been stolen by the federal government and that should be restored to the provinces?

An hon. Member: Income tax.

Mr. Lesage: I am coming to income tax. That tax was first imposed by the Conservative government in 1917, and it was never tested in the courts by the province of Quebec. My young colleague should know that, and I think he does know it. The Leader of the Opposition was most careful not to point out any one. The hon. member for Three Rivers was very careful not to point out any one. They did not for the good reason that there is not any one. According to section 91 subsection 3 of the British North America Act the federal parliament has the right to raise money by any mode or system of taxation. In spite of that provision the federal government is presently levying taxes in only four fields of taxation; first, customs duties; second, excise taxes and duties; third, personal and corporate income taxes and, fourth, succession duties on estates of a value of over $50,000. Does the levying of taxes in any of those four fields—

An hon. Member: Sales tax.

Mr. Lesage: That is an excise tax. Perhaps my colleague does not know that the sales tax is an excise tax.

Mr. Fulton: Maybe you do not either.

Mr. Lesage: I do.

Mr. Fulton: Maybe you do not know that the sales tax is a sale tax.

Mr. Lesage: It is because you do not know anything that you are never in power. The first two fields of taxation are customs duties and excise duties and taxes. There never has been any question about those. They are reserved expressly to the federal government by the constitution. That leaves us with three and four, personal and corporate income taxes and succession duties.

Would any member of the opposition, especially the Leader of the Opposition, deny the rights of this parliament in those fields? Let us consult the real authority on the matter, the British North America Act. I should like to read from sections 91 and 92 of the British North America Act, 1867. Section 91 reads:

> . . . the exclusive legislative authority of the parliament of Canada extends to all matters coming within the classes of subjects next hereinafter enumerated; that is to say,—
>
> 3. The raising of money by any mode or system of taxation.

Section 92 reads:

> In each province the legislature may exclusively make laws in relation to matters coming within the classes of subjects next hereinafter enumerated; that is to say,—
>
> 2. Direct taxation within the province in order to the raising of a revenue for provincial purposes.

What is the meaning of those paragraphs? They mean precisely what they say, that the federal parliament has the exclusive power to raise money by any mode or system of taxation, whether by direct or indirect taxes, and that the provinces may impose direct taxes for provincial purposes only. In Silver Brothers and the Attorney General for Quebec *v.* the Attorney General of Canada, 1932 A.C. 514, Viscount Dunedin is reported as saying:

> The two taxations, dominion and provincial, can stand side by side without interfering with each other, but as soon as you come to the concomitant

privileges of absolute priority they cannot stand side by side and must clash; consequently the dominion must prevail.

If by imposing income taxation on individuals and corporations, or if by imposing succession duties the federal parliament had overridden its jurisdiction it is easy to imagine what would have happened. As I said a moment ago, it was over thirty years ago that the Conservative party then in power initiated the income tax. Does anyone think that if that legislation had been ultra vires of the federal parliament, during that long period from 1917 to 1952 some provincial government, especially a Union Nationale government, would not have tested its validity?

There is no use in stressing the point that there has been no attack upon provincial autonomy. Provincial autonomy has no more been affected thereby at the present time than it was in 1917 when the bill was introduced by the Conservative minister of finance, Sir Thomas White. As I mentioned a few moments ago, there has been a substantial evolution in the political set-up since confederation. There is no doubt that the provinces owe a debt of gratitude to the supreme court and the privy council which bodies did not quite follow the wishes of Sir John A. Macdonald. On the contrary, these courts went as far as they could go to restore the autonomy of the provinces, more especially by invoking the clause in section 92 of the British North America Act respecting property and civil rights. I also believe and am convinced that the head of the government, his ministers and the members of this party do not wish to violate provincial autonomy to any extent.

I am convinced that the present premier of the province of Quebec will agree with me when I say that the cause of provincial autonomy was admirably served and helped by those great Liberal leaders of the province of Quebec, Mercier, Gouin, and Taschereau. These men never failed at any time to be the convinced champions of minority rights and of provincial autonomy well understood and liberally conceived. In speaking tonight in this House of Commons I am proud to repeat that there is no member of the Liberal party who wants to encroach on provincial autonomy.

An hon. Member: Why do you do it, then?

Mr. Lesage: The Liberal tradition is one of respect for our constitution as it has evolved in favour of the provinces since the days of Sir John A. Macdonald, and the Leader of the Opposition and the hon. member for Three Rivers can count on the present speaker as a staunch defender of provincial autonomy. But that does not mean this parliament does not have its autonomy and its rights which are a corollary of its very important and even enormous obligation at this time. It is the duty of all members of the house to see to it that the autonomy of parliament is protected so that in turn it can protect the security of Canadian citizens.

Coming back to direct taxation, it is understood that the provinces share the field with the central parliament; but the fact that there is a concurrent right and the fact that we are using it does not mean that we are preventing our partners, the provinces, from using it themselves. The province of Quebec, for instance, is at the present time levying corporate income taxes apart from a number of other taxes it collects from corporations. An income tax on individuals was imposed in the province of Quebec in 1940 and 1941, I believe. I may be wrong and if so I am open to correction on that point, but my memory is good and I feel sure it was in 1940 and 1941, at a time when federal rates of taxation were quite high. But since the end of the last war the government of Quebec has not chosen to levy that kind of tax even when the federal rates of taxation were low as in 1948 and 1949, particularly 1949.

Mr. Murphy: An election year.

Mr. Lesage: Yes, but it was not an election year in Quebec. They could have imposed such a tax if they had wished to do so. At the present time there is nothing at all preventing the Quebec government from fixing any rates it wishes for corporation and individual income taxes of its own except of course—and I am using the words of the Prime Minister (Mr. St. Laurent)—"the unwisdom of trying to collect too much from an individual taxpayer." But the same limitation, Mr. Speaker—and my hon. friends opposite will agree, particularly the member who just interrupted—

Mr. Gauthier (Portneuf): Surely.

Mr. Lesage: —exists for the federal government and of course would exist—and this is important—if a personal income tax were imposed by the Quebec legislature. The same limitation would apply to both.

Now, sir, allow me to come back to the alleged "robbery", to the outcries of "au meurtre, au voleur, à l'assassin!" Have the province of Quebec and the province of Ontario, for instance, lost any revenue since 1939? Let us look at the figures of the Quebec and Ontario governments. They have not lost any revenue as has been alleged.

An hon. Member: Good governments in both provinces.

Mr. Lesage: They are good collectors anyway. You will see that is the case. On the contrary, in 1939 the total revenue of the province of Ontario was $87·5 million.

In 1951 it was $291·1 million. It tripled and more. In 1939 the total revenue of the province of Quebec was $59·8 million. In 1951-52 it was $275·5 million, and it is expected to be around $300 million in 1952-53, which means it has increased fivefold since 1939. How is it possible to contend, as the hon. member for Three Rivers did, that the present Liberal regime has deprived the Quebec government of its taxing rights when the latter has increased its revenues five times in the last thirteen or fourteen years? Where is the robbery? Where is the tendency towards centralization, especially when you realize that the federal government has not entered any new field of taxation since 1939—

Mr. Murphy: They did not need to.

Mr. Lesage: —except that of succession duties?

Mr. Hodgson: What about the excise tax?

Mr. Lesage: Excise taxes are reserved to the federal government. Parliament is taxing estates of the value of over $50,000, the quasi-totality of which have been accumulated through interprovincial or international trading, business and activities. It is true that during the war Quebec rented certain taxation rights to Ottawa, but since 1945 the federal government has withdrawn from all those fields except that of succession duties for the reasons I have just mentioned. The total amount of succession duties collected during the current fiscal year by the federal government is only $43 million. For instance, the federal government was levying a tax on gasoline during the war but it abandoned the field immediately the war ended, and the provincial government of Quebec is now imposing a tax of 13 cents per gallon on gasoline sold in that province, which is a rate of 30 per cent, speaking of high rates.

Mr. Murphy: How does it compare with the 25 per cent increase in the sales tax?

Mr. Lesage: The Leader of the Opposition in his speech on November 24 said that in 1939—and this was repeated by the hon. member for Three Rivers—municipal governments collected 30 per cent of every tax dollar, provincial governments 19 per cent and the federal government 51 per cent. Those percentages are taken from the green book of the dominion-provincial conference on reconstruction, pages 32 and 33, and for the purpose of those calculations the fiscal years used are those nearest to the calendar years. I must point out that those percentages are based on a figure of total revenue for the provinces which is not complete. To that revenue must be added the following:

1. $28·1 million from motor vehicle licences.

2. $24 million from the public domain.

3. $9 million from miscellaneous licences. If you take those into account you can reach the exact percentage figures, which are as follows: federal, 48 per cent; provincial, 23 per cent; municipal, 29 per cent. That is for 1939, when the expenditures of the federal government for national defence and for social security were practically nil.

The Leader of the Opposition said in the same speech that, last year—

An hon. Member: Two years ago.

Mr. Lesage: He said that last year, in 1951, the federal government took 77 per cent of our tax dollar, leaving the provincial governments 12 per cent and the municipal governments 11 per cent. I have here the figures for the total revenue of each group for the fiscal year nearest to the calendar year 1951, which is the last known figure. The federal revenue was $3,657 million. The total provincial revenue including licences was $904·9 million and the municipal revenue was $528·8 million. Those figures are taken from the Bank of Canada statistical summary for 1951. The exact percentages are as follows: federal government, 71 per cent—not 77 per cent; provincial, 18 per cent—not 12 per cent; municipalities, 11 per cent—correct.

For the current year the federal revenues will be comparatively higher because of higher taxation; and according to the estimates I have studied and taking as a basis for my calculations a total federal revenue of around $4·4 billion, the percentages would be as follows: federal government, 75 per cent; provincial governments, 15 per cent; municipalities, 10 per cent. The federal revenue is going to be spent as follows: First, for national defence or national security, $2·1 billion; or, if you wish, 35 per cent of every tax dollar collected in Canada is going for national defence or national security; second, social security, $900 million or 16 per cent of every tax dollar; then interest on the national debt, around $430 million or 8 per cent of the total revenue. Payments to the provinces as subsidies or following the tax agreements will amount to $300 million; 5 per cent of every tax dollar. All other services, all the other services of the federal government, will cost $700 million. So only 11 per cent of

every tax dollar in Canada is going to be used by the federal government for all of the services except national defence, social security and interest on the national debt.

Mr. Murphy: Wake up some of your members over there or you won't need it.

An hon. Member: That is so stupid.

Mr. Lesage: It is surprising, sir, that these gentlemen will grumble only when it hurts.

An hon. Member: Never mind the weeping and wailing and gnashing of teeth; get going.

Mr. Lesage: The figures I have just given show that while in 1939 the federal government took 48 per cent of every tax dollar at a time when there was practically no expenditure for national defence or for social security, it now spends 35 per cent of every dollar levied in Canada for national security, leaving only 40 per cent for all other federal expenditures including those for social security.

As you know, under social security we have the following main expenditures: benefits to veterans which are, I believe, a consequence of the last two wars; and that is expenditure which is directly linked to national security. Then we have family allowances; and I do not believe my friends opposite would ask the federal government to leave the field of family allowances—nobody in my riding would, anyway. The figure for social security includes payments for old age pensions and the provinces have all given their consent to an amendment to the constitution in that field. Federal expenditures for social security, I repeat, take 16 per cent of every tax dollar levied, and they are mostly transfer payments. The national debt was incurred mainly during the two world wars and practically 8 per cent of every tax dollar goes to the service of the national debt, which must be more or less directly attributed again to national security.

More than three-quarters of the present federal expenditure is on security, past, present and future; international security and social security combined. Finally I just mention that among the important items of expenditure about $300 million a year is being paid to the provincial governments through subsidies and tax rental payments. This accounts, I repeat, for 5 per cent of every tax dollar. We are left then with something less than $700 million out of a total budget of $4·5 billion to spend on all the other services and activities which the government is asked to carry on in the course of its ordinary operations.

[Mr. Lesage.]

An hon. Member: What is $300 million?

Mr. Lesage: Only $700 million is left to spend on all the services of the federal government, that is to say only 11 per cent of every tax dollar collected in Canada, when the provinces will have at their disposal this year 15 per cent of every tax dollar.

To put it in figures, let us say that the federal government will have only $700 million to spend on its ordinary services while, for instance, the total budget of the province of Quebec will be of the order of $300 million, which is just a little less than half. I believe that all of these figures speak for themselves and prove what I said a few minutes ago, that the provinces are in a better position than they have ever been; that the federal government has not taken away from them any field of taxation.

Mr. Speaker, the reason federal taxation is high today is that the present government and the members of my party believe that it is our first duty to see to it that the Canadian citizen enjoys security and freedom.

An hon. Member: Plenty of neckties.

Mr. Lesage: According to our constitution it is the obligation of the federal government to ensure national security, and it is for the protection of our citizens that we are spending huge amounts of money as an insurance premium for the protection of the North American continent and to fulfil our obligations towards NATO and the United Nations. As the Prime Minister (Mr. St. Laurent) said in the house on November 24—

Mr. Murphy: What is $300 million?

Mr. Lesage: —and I quote from page 35 of *Hansard*, we have—

> —the responsibility for taking all measures required for the continued existence and freedom of this country. That constitutional responsibility was clearly envisaged by those who drafted the British North America Act which came into force in 1867. It was that defence, national security, would be the responsibility of the federal government and that the federal government would have by constitutional declaration the right to resort to any and every form of taxation on the Canadian people.

Before I conclude, Mr. Speaker, I would like to follow the example of my hon. friend from Three Rivers, who has been quoting extracts from newspapers. I have an editorial which appeared in the Montreal *Star* on October 24 last, commenting on a speech made by the Leader of the Opposition at North Hatley. I quote:

> Stage by stage, Mr. Drew told the Conservative organizers at North Hatley yesterday, the federal government has infiltrated into provincial spheres of taxation, attempting to weaken the provincial governments by taking a large share of their revenues.

An hon. Member: That is true.

Mr. Lesage: I do not believe the hon. member who just interrupted listened to what I said. While I was speaking I never heard one field of taxation named that we have invaded. I asked the question many times, and the interruptions to which I was subjected were not as serious as that. The newspaper article goes on:

It would be interesting to see some documentation of this persistent accusation. For the reiteration of this charge must puzzle a great many people who cannot for the life of them see what field of provincial taxation the federal authority has entered that it did not have a right to enter.

A little further down, it reads:

The clear implication of Mr. Drew's statement is that if the Conservative party took office it would hand something back to the provinces. But what would it hand back? Nothing has been taken. The further implication is that Ottawa can do with much less money than it now spends. But could it? Could the federal budget be cut back? How? By reducing expenditures for defence? For social services? These are the major items of the federal budget and the Conservative party has not opposed them in the house. The money to finance them has come from the people of Canada as a whole. No province has been subjugated in the process, no taxation field invaded that was not already at the disposal of the federal authority.

(Translation):

Mr. Speaker, I did not look at the time when I started my speech. Do I still have five minutes?

Mr. Deputy Speaker: You have only one minute left.

Mr. Lesage: I thank you. I have not enough time left to continue my remarks.

(Text):

Mr. Carl O. Nickle (Calgary West): I wish to express a few thoughts this evening, Mr. Speaker, upon taxation, the welfare state, economy in government, a short statement about Brigadier Connelly and finally a few words about some rather important new developments in the petroleum industry in Canada. Before doing that, I take this opportunity to congratulate the mover (Mr. Deslieres) and seconder (Mr. Schneider) of the address in reply to the speech from the throne. They both made fine maiden efforts in their speeches to this house. At the same time I express my congratulations to my colleague, the new member representing Ontario constituency (Mr. Starr), for a very thought-provoking, interesting and timely address this afternoon. Finally, since I am extending congratulations on speeches, may I extend congratulations also to the hon. member for Springfield (Mr. Sinnott). I do not agree with everything the hon. member had to say in what he described as his final speech in this house, but I did enjoy it in many ways. I was happy to see that, after spending a vocal quarter sidelined on the bench, he is winding up the final few minutes of the game playing ball again.

Mr. Sinnott: Very well put.

Mr. Nickle: My colleague the hon. member for Nanaimo (Mr. Pearkes) spoke at considerable length yesterday concerning the case of Brigadier Connelly, a gentleman who was born in my home community of Calgary. He has made a substantial contribution to this country of ours during his long years of military service. May I say that I endorse completely the statements made by the hon. member for Nanaimo. I say that, having had an opportunity over the past few weeks to study the Connelly case very thoroughly. I have seen much of the correspondence relating to that particular affair. It is a disgrace to Canada that this very able officer, who since his graduation from the Royal Military College has used his engineering and military training in a career of service to this nation, should now be suddenly booted out of the army and his service lost to Canada. This has happened merely because the Ottawa government believes that a political error on its part should be covered up by making Brigadier Connelly the goat. I believe this government should, without further delay, rectify the serious error it has made and clear the name of a very able soldier.

It is not often that a member from Calgary asks for something for his particular community. However, tonight I should like to comment briefly on two things.

An hon. Member: You want the Grey Cup.

Mr. Nickle: No, we will get the Grey Cup next year. The mayor of Calgary has presented to the government a proposal for the joint financing by the city of Calgary and the federal government, of a new terminal for the Calgary airport. Incidentally, this airport is the fifth busiest in Canada. It is the busiest airport between Toronto on the east and Vancouver on the west. When the runways were lengthened three years ago we were required to relinquish the services of a fair-sized terminal building. Since that time old shacks which were used during the last war by the United States air force have been used as terminal facilities. For an airport as busy as this one, it is a disgrace that the port of entry to a very progressive community such as Calgary should have as terminal facilities a sizeable but most inadequate tarpaper shack. The proposal made by the city of Calgary is simply that the city put up about a quarter of a million dollars to be matched by the dominion government, to provide for the erection of a modern air terminal.

The other question concerns something which has been hanging fire for six or seven months. Apparently it takes that length of time to get something accomplished through the rather lengthy mass of red tape separating defence officials in Calgary from those in the national capital at Ottawa. This has to do with the community of Altadore in southwest Calgary, built by the defence department to accommodate the married men and their families from Currie military barracks. Unfortunately, due to an oversight, presumably by the Ottawa authorities, storm sewers were not provided. The result was that, in the midst of this modern community in the city of Calgary, there developed a large slough which has been a source of danger and inconvenience to many of the service families residing near Currie barracks.

Some months ago the city of Calgary offered to split the cost of the installation of storm sewers, which would bring about the removal of that slough and enable that new part of our city to function in the normal way. I am glad to say that, after a great many complaints from the service families in the district and strong requests from the city of Calgary, a few days ago the federal government apparently finally passed an order in council to provide for its contribution of $105,000 toward the cost of constructing these storm sewers. This will now clear the way for the city of Calgary to go ahead, after the completion of the storm sewers, and provide a means of bus transportation by finishing off the road under which that storm sewer will be laid.

Returning to the major issues as I see them, the by-election which brought me to this house last December was decided, I believe, mainly on the issue that this Liberal government was being too liberal with the taxpayers' money, was spending high, wide and handsome, spending wastefully and trying to be Santa Claus by wildly tossing luscious parcels to the Canadian voters, trying to kid the voters into thinking that the money for fancy presents was hoisted from somebody else's piggy bank, not their own.

This brings us to the question of social security, which in essence is the taking by the government of part of the national product to provide greater measures of social security for the underprivileged, the aged, the sick and the maimed. Social security is recognized by the mass of the public and by all political parties as a responsibility of government. On the municipal, provincial and federal level Canada has already gone well along the way to the welfare state. I for one would fight against any retreat from the social security progress already made, just as would all members in this house.

Like you, I realize also that in the present welfare program there are certain inequalities and injustices to some segments of our population. Some adjustments of a relatively minor nature could and should be made now. However, I firmly believe that Canada cannot now afford any further major steps toward a more complete welfare state. Direct and indirect taxation has for far too long been drawing too heavy a share of the national product. All those who contribute to that national product—the workers in all our businesses and industries and the corporations that are our businesses and industries—are bearing an excessive load of taxation. Our nation is bearing this load partly to provide the essential needs for defence, a spending with which the nation has no quarrel provided waste is eliminated from it. Canada is bearing a federal tax load partly to provide about $1 billion yearly for social security, which is also something that most of us approve. Canada is bearing that load partly to provide a host of essential government services, again without quarrel provided government waste is eliminated from the spending.

The levels of taxation on both personal and corporate incomes help to determine our ability to finance an increasing national productivity and a higher standard of living. Too excessive taxation, regardless of its purpose, is like underfeeding the goose that lays golden eggs. Sometimes it seems to me that it is wiser to defer big-surplus budgeting and more welfare statism and to slash the fat of waste from government spending habits in order to give the goose a full-growth diet and thus boost the golden egg production for years ahead. I believe that time is past due for Canada. You can load a great deal of weight on a pack-horse and get to your destination of greater and more widespread national posterity; but if you overload the pack-horse, meaning the taxpayer, he will sink into the mud of depression, carrying this nation and its hopes with him.

This government, too long in power, has been seeking to extend its tenure by more and fancier handouts, by more and better jobs for party supporters, by lavish passing around of the taxpayers' money and I think also by general extravagance. It is high time that tenure ended, just as the tenure of the free-spending, socialist-minded government has ended in the United States and has also ended in Britain, and Canada had a return to a Conservative and economy-minded government dedicated to letting our citizens keep a larger share of their earnings

to spend and build with as they please, and to leading the nation to the great destiny that can be ours. I believe, of course, that such a government would be one headed by the leader of Her Majesty's loyal opposition, the leader of my party.

There are other alternatives, of course. We have the socialists represented by my friends to my left who are now wooing the citizen taxpayers with the offer of what would be another billion dollars of welfare statism through a costly national health plan and higher old age pensions. There could also be the Social Crediters, the group which was described last night by one of its members as the splinter off the beam.

As to the Social Credit group and their national policy, I must be guided—because I have seen no other statement of national policy recently—by the platform adopted a week or so ago by the Social Crediters meeting in convention in Saskatchewan. At that time they adopted a platform calling for a $100 a month old age pension without a means test, coupled with the raising of tax exemptions to $5,000 for married taxpayers and to $2,500 for single ones. Of course that poses the problem: who is going to pay the shot for the extra $700 or $800 million of pensions? Maybe their answer lies in the nebulous thing called Social Credit dividends, that wondrous currency backed by gosh knows what; but personally I prefer to put more reliance in real dollars.

I notice that on the order paper we have some resolutions from several members of the existing government calling for new and better handouts of various types. All these remind me of a cartoon which I saw recently in the New Yorker magazine and which I should like to see reprinted in *Hansard*. The cartoon shows a political gathering, with the usual politician spouting lustily from the platform; and in the audience are two ministers of the gospel listening to this politician. One of them turns to the other and says, "Why, that is more than even we can promise them".

Mr. Speaker, I was happy that a day or two ago the hon. member for Brandon (Mr. Dinsdale), when discussing the problems of the west, dealt at some length with the problem of increased population to aid in the building further of western Canada. I want to say that I fully agree with him. I should like to quote briefly from an address on the subject entitled "Building the Future for Western Canada" which I made at Winnipeg a month or so ago. In it I said:

> To fully realize the future offered by our natural resources, therefore, we western Canadians must expand our efforts to match our resources with markets . . .
>
> One phase is to encourage an accelerated rate of immigration to western Canada, not only to provide greater home markets for our products, but also to provide the human resources with which to build a much broader industrial potential. An enlarged program of selective immigration of men and women of pioneering temperament and a wide range of knowledge and special skills is essential to the long-range planning of a still brighter western future.

I trust that this government will greatly enlarge its efforts to ensure that the west and all Canada, in fact, will reach this great objective of 20 million, 25 million or 35 million people before the end of this century.

At the present time we have under way in London a conference of commonwealth prime ministers. Regardless of politics, I am sure the Canadian delegation carries with it the hope of all in this house and all in this country that they will come back with great results which will bring market expansion. However, I noticed in the Ottawa *Journal* tonight a Canadian Press story dealing with the conference, and in it there is one statement that may be taken with considerable concern in the west. The Canadian Press statement dealing with the commonwealth conference reads in part:

> In the case of wheat, for instance, it was noted that in 1950-51 the sterling area imported 5,400,000 tons from dollar sources, principally Canada, at a cost of $490 million. The ministers agreed that increased wheat production is needed particularly in such countries as Pakistan, India and Australia.
>
> It is understood that Canadian officials take no objection to increased commonwealth production of wheat, one of Canada's leading products.

This is what concerns me.

> For one thing, Canada is "bullish" about wheat at the moment, and for another Canadian ministers have always said that all they want is a free market run.

I am sure every wheat producer of western Canada and of the east hopes that the apparent optimism of the government as to its ability to find markets for the growing wheat surplus of the west will be rewarded with success.

In this morning's paper there was another headline, whose background means far more than is implied in the words of the headline itself. It reads: "Plan to extend west pipe line to Sarnia". Back of this announcement made in Toronto today is the start on a third major pipe-line project to serve western Canadian oil. With this particular project, and in the expansion of lines to be tied in with that project across western Canada, will come a transport system for oil adequate, when they reach full capacity, to handle at least 40 per cent more oil than the entire petroleum consumption of this country.

It may be of some interest to this house to know that during the first ten and one-half

months of this year western Canada has been coming through with a rather remarkable record. During those months this year 155 new discoveries of either oil or gas were recorded in the western provinces. It included some 80 oil discoveries, 64 discoveries of natural gas, plus 11 discoveries of wet gas or gas laden with liquid products. This rate of discovery, about one every two days, is 50 per cent higher than the former all-time Canadian record set in 1951. It will interest this house to know, I am sure, that in this string of discoveries the four western provinces have shared. Alberta came through with 118 discoveries of various types. Saskatchewan, as a new oil province, has come through with 25 discoveries this year of oil and gas; northeastern British Columbia, another new oil province, has come through with nine discoveries of oil or gas this year. Southwest Manitoba has come through with three more oil discoveries.

Among the great discoveries of this year, which account for this announcement concerning the new expansion of pipe lines, is the discovery in Fort St. John, northeastern British Columbia, of a natural gas field already proved to contain something over 1,300 billion cubic feet of natural gas. And in central Alberta has come a discovery of the Bonnie Glen-Pigeon Trend field. It contains, on the basis of knowledge to date, a minimum of 250 million barrels of crude oil. This year western Canada is going to record the greatest increase in proved reserves of oil and gas in the history of this country. Oil reserves, for example, for 1952 are going to increase about 500 million barrels, to a total of about 2 billion barrels by the end of this year. Natural gas reserves this year are going to increase about 3,500 billion cubic feet to around 10½ thousand billion cubic feet by the year's end. These figures may mean a little more to you when I tell you that back in 1946, only six years ago, our west had oil reserves of only some 65 million barrels, and gas reserves of something like 2,000 billion cubic feet.

More important than the discoveries of oil and gas, with their gross value of more than $5 billion, are the beacons they have lit pointing the way to the future. Our reserves have been developed by an intensity of exploration less than 5 per cent of that in the United States oil states. Undoubtedly ultimate Canadian oil and gas reserves will be several and perhaps many times those proved today.

The oil potential, or our ability to produce out west, has climbed by the present day to something like 280,000 barrels a day. Our actual oil production has climbed this year to an average of 162,000 barrels a day. In other words we are running well behind production, compared with actual ability to produce. In the light of this situation and the growing reserves and discoveries that have been made since last spring, there have been two important pipeline developments. One was the start of the construction of an $80 million pipe line across the Rocky mountains from Edmonton to Vancouver. That pipe line, I may say, will be completed next August, and the first oil by pipe line to reach Vancouver refineries will start servicing the market on the coast next October.

A few weeks ago it was announced that on the Pacific coast, in the state of Washington, just south of Vancouver, a $35 million oil refinery would be erected to use Alberta crude oil. The Washington refinery will be completed in the summer of 1954. Word has also come in recent days of the purchase of a refinery site by another major United States oil company in the general Seattle area, and it is reasonably assumed that in the not too distant future plans will be announced for a second United States oil refinery to use our oil on the Pacific coast.

With the growing oil reserve potential, I might say that during this coming year our ability to produce oil will climb to at least 350,000 barrels a day; it will climb in 1954 to probably beyond 400,000 barrels a day, and in 1955 our ability to produce may pass half a million barrels a day, or the equivalent of self-sufficiency for Canada.

With these growing reserves there has been a great deal of concern as to where the oil would go beyond the Pacific coast and the markets west of the existing interprovincial oil pipe line from Alberta through to Superior, Wisconsin, the head of the great lakes area. Today comes the announcement of what is going to be done. A 630-odd mile oil pipe line, 30 inches in diameter, capable of carrying at its peak more than 350,000 barrels of oil a day, will be started immediately from Superior, Wisconsin, across northern Michigan, across the four-mile wide Mackinac strait, through central Michigan and across the St. Clair river at Sarnia, Ontario. That pipe line will be built and placed in operation within one year. So far as our prairie provinces oil producers are concerned, it will open the way for a year-round direct market into Ontario; and so far as Sarnia is concerned, the hon. member for that constituency will perhaps be interested to know that the development of a direct route by pipe line to Sarnia ensures that city's place in the scheme of things,

so that it will likely become the greatest single oil and chemical refining centre in eastern Canada.

This oil pipe line that is being started across United States territory to Sarnia is going to cost something like $75 million. Arrangements to finance that project are now being completed. The necessary steel, 160,000 tons, has recently been allocated by the United States department of defence production. Coupled with this pipe line construction will be a further expansion of the existing interprovincial pipe line leading to the great lakes. Over the next two to four years, depending on the rate of oil reserve growth and the rate of development of oil markets, will come the spending of about $200 million to provide an eastward pipe-line system from Alberta to Ontario and the Detroit region of the United States capable of handling something over 350,000 barrels of oil a day. The Pacific coast pipe line is now being completed and will be in operation next August. It is designed to handle ultimately something over 200,000 barrels of oil per day.

With the several pipe-line systems under construction or well on the way there will be developed an oil transport system capable of handling at the peak more than 650,000 barrels of oil per day. When the west can produce that volume and the markets of this country and our neighbour to the south can consume that amount of oil, Canada will be more than self-sufficient for the first time in her history so far as petroleum is concerned.

As to natural gas, we have had a lot of discussion on this matter during the past session and previously, and I am not going to go into it in any detail. I am happy to say that at the present time a survey, financed by private capital, is being carried out by a great United States university and a university in the province of Ontario. A study will be made of the entire fuel picture of eastern Canada and of the best methods of matching the fuel reserves in western Canada and in the United States with the great market of eastern Canada.

A few days ago the president of Shell Oil Company of Canada, W. M. V. Ash, made an address in Montreal which contains some thoughts on the question of natural gas that I think are worth repeating to this house. Of course he was speaking as the head of one of the large companies which have played a material part in the exploration for and development of oil and gas reserves in western Canada. Speaking in Montreal on November 20 Mr. Ash said:

> As a producer of both oil and gas therefore I would urge with all the force at my command that those responsible for framing Canada's gas policy should base it on fundamental economic principles. After gas reserves have been set aside for the foreseeable local needs, including new industry, let our first and most valuable gas be delivered to the nearest and greatest market, where the best price can be had. Later, as we develop further gas, let us look to the more distant and marginal markets.
>
> Today the picture seems to shape up like this. Substantial reserves have been found in northwestern Alberta and in the northeastern portion of British Columbia, and additions to these reserves are being discovered almost daily. Canadian and provincial permits have been given to one pipe line company which in effect dedicate these reserves of gas to movement to Vancouver and southward to U.S. markets. Percentage-wise, it is anticipated that about 85 per cent of the gas will be delivered to the U.S. markets. The necessary U.S. permits for the on-movement beyond the border are presently the subject of hearings before the U.S. federal power commission. Their award will depend on the answer to the question—do adequate proven reserves exist in the north to satisfy the large northwestern United States demand? Personally I am confident that the strong and growing exploration activity, which is steadily pressing further north, will inevitably prove more than enough reserves of gas. On the other hand delay may cause the insistent demand to be supplied from other sources and that market will be lost forever to Canada.

That is a statement which this government as well as the governments of Alberta and British Columbia might well take to heart. Mr. Ash continues:

> Thus while this dedication of the northwestern Alberta and northeast British Columbia reserves to the Vancouver and southward movement seems a logical and sensible move by the authorities, since it is difficult to visualize any other economic market to which those reserves can go, nevertheless this will not provide for the marketing of the large quantities of gas which will be produced with oil throughout the body of Alberta.
>
> To avoid such a situation there has been a school of thought which advocates a trunk line from north to south through Alberta and thence either east or west. Such a system would tap all of Alberta's gas reserves, it would make gas available to a maximum number of Albertans, and in effect would pool Alberta's gas for movement to any market, domestic or otherwise, in any direction.
>
> The questions whether that direction should be east or west, whether any eastern movement should be intra-Canada or should include United States outlets, and other problems, have divided the parties according to two opposing philosophies. The one advocates that western gas, after serving prairie communities, should seek the nearest and largest markets south of the border. The other aims to keep Canadian gas wholly on our side of the border, would serve the same prairie communities, but from Winnipeg would cross relatively sparsely populated terrain over a long and expensive route to Toronto and possibly Montreal. The cost of such gas, unless subsidized, either by the western or the eastern taxpayer, or both, is substantially greater than the cost of gas from American sources.
>
> Possibly the philosophy inherent in the second of these two schemes is not surprising in these

times when nationalism is the cry all over the world. I hope that in our country economic and not isolationist principles will prevail. In the long view surely it is best, not only for Canada's gas producing industry but for Canada at large, to sell its raw material in the most profitable market and to use the revenue obtained thereby to purchase equivalent energy from the most economic sources available to it.

With that quotation from the remarks of Mr. Ash, president of Shell, I shall close my comments on gas. However, I should like to state that in discussing gas going to various markets one prime concern is the price received at the Alberta or prairie end of the pipe line. It has been said that our present reserves are something like ten trillion cubic feet, or ten thousand billion. With that volume of gas a difference of one cent per thousand cubic feet in the price means a difference of $100 million to the Canadian economy. An uneconomic gas pipe line might mean a difference of from two to perhaps five cents per thousand cubic feet. In other words, the difference to the economy of this country might be anywhere from $100 million to $500 million based upon the presently known reserves.

In this connection it might be interesting to have a break-down of where that extra $100 million represented by a difference of one cent in the price of the gas would go. About $15 million would go to the owners of the royalties, mainly the Alberta government. Taking the balance of $85 million and considering our present corporation tax rates and the fact that this would come off the top, more than $42 million would be lost in the way of corporation tax income to the federal government. The balance of around $43 million would represent extra income which the oil or gas producers could use for further expansion, exploration or development; or it would represent dividends to those who are paying the major part of the shot for this tremendous development in western Canada or to the foreign investors and shareholders of so many small and large oil and gas companies.

In his concluding remarks in Montreal Mr. Ash dealt with a subject which I have discussed before in this house. I should like to close with his words in regard to that subject. He said:

When you add to this the fact that the eastern Canadian markets of Toronto and Montreal can be served by American gas at a substantial saving over western Canadian gas, surely every effort should be made by our nation, and by our neighbours to the south, to work out a pooling or "unification", or exchange of the continent's gas supplies.

The same principle has been followed to date and is being followed for the future in the planning for the matching of oil reserves and markets in Canada and the United States.

Mr. E. B. Huffman (Kent, Ont.): Mr. Speaker, I should first like to congratulate the mover (Mr. Deslieres), and the seconder (Mr. Schneider) of the address in reply to the speech from the throne. If I were to say more I would only be repeating what has been said already about these two hon. members. It is always of interest to me to hear the speech from the throne read, and I am sure that it pictures for each and every one of us some of the things that we expect will come to pass in the coming year. I was particularly interested to note that one of the subjects about which I had spoken in the house was included in the speech from the throne, namely the question of the rural mail carriers. I am sure some satisfactory arrangement will be made for these men and women who are providing a very creditable service for many people.

I have listened with a great deal of interest to the things that are said in this chamber to the ministers of the crown. I have always been amazed at the direct criticism offered to them from which one might assume that the sworn ministers of the crown are not wholly responsible citizens, but I am sure that is not the case. Often opposition members conjure up in the minds of the Canadian people something that is not in true perspective. It is always rather disagreeable for me to have to refer to some of these remarks. However, I note that my good friend, the hon. member for Middlesex East (Mr. White), had the following to say as appears at page 89 of *Hansard* for November 25:

People do not mind paying for aeroplanes, guns and other supplies for our troops, but I think the people of Canada are getting sick and tired of this arm chair army.

I was obliged to write a note of sympathy to a mother in my community whose son made the supreme sacrifice in Korea. I am sure in her mind and in the minds of her friends that son did not belong to the arm chair army referred to by the hon. member. On page 182 of *Hansard* for November 28 I find that my very good friend the hon. member for Lambton West (Mr. Murphy) has painted another picture of the things that the Minister of National Defence (Mr. Claxton) and the Minister of Defence Production (Mr. Howe) are doing for our armed services. He has painted a picture of 37 miles of carpet which would be quite a waste if only used to take light exercise. I would say that if there was a rug beside

the bed of that soldier who lost his life in Korea the people would not object to it having been placed there.

Last summer I had the privilege of having dinner with one of our servicemen. He told me among other things that he was going up to the icecap of Canada to serve his country. He also told me that when he got to Churchill he would only be half-way to his destination. He left his wife behind him and went there to serve Canada. If the government chooses to provide some of the amenities of life for men who are willing to do such things, we should not complain.

I would also say that there is hardly a man in any of the three armed services today who could not leave that service and enjoy, with the labour force of Canada, the greatest period of earning that anyone could possibly have. The dominion bureau of statistics has this to say:

> Canadian labour income reached an all-time monthly peak of $922 million in August—

That is this year.

> —as compared with $833 million in the same month last year.

I say, therefore, that these men are leaving their arm chairs behind them and making a great contribution to Canada and the security of the nation. When the members of the opposition point to those on the other side who are responsible for the direction of the defence effort they must do so having it in mind that three fingers are pointing back toward them, because we were told in the house only two days ago that at the beginning of world war II the government was criticized for not doing enough. Now they are criticized for providing too many things. That is the way I view some of the criticism being levelled at our senior cabinet ministers.

The hon. member for Middlesex East also referred to the taxes levied against a farm in his county. He indicated the increase that had taken place. I think it is a good defence of the spending of the government. Each and every one of us pay taxes. I also happen to be engaged in the occupation of farming. My taxes have increased, but that is because I had asked for better drainage and better roads, because we have better accommodation in our schools. I and the other people of my municipality asked for these things. So far as industry is concerned, I was speaking with an industrialist of the city of Chatham right after the Minister of Finance (Mr. Abbott) had paid his visit to that city. The industrialist said to me, "I appreciate very much the position of the Minister of Finance because different sections of my industry come to me and say that so much money is needed for expansion and development." He said, "We add all these expenses together and the price tag is put on the article as it leaves my plant." That is the way that we are financing the preparedness effort that is being put forward on behalf of Canada.

Now I would like to refer to my own particular part of the country, the part I represent. I come from a very diversified agricultural area. There are some 19 or 20 specialized crops and they often need special attention. I believe one thing that could assist us a great deal in that area—and we expect a survey to be made on the river Thames—would be to have more ships pass up and down the river, as was the case when this river was open to traffic. We could then get a storage terminal which would assist us to overcome the congestion that comes from time to time when special crops are being harvested. That is one of the things that could be of assistance to our community.

At this time there is one crop that is particularly pertinent and on which I would like to delay the house for a few moments by referring to its history. The sugar industry is of great importance to our economy and provides an annual purchasing power of some $120 million. This was the amount paid for material and services in 1951. The sugar beet industry was established permanently at the turn of the century after some unsuccessful attempts. The sugar refinery located at Chatham is the largest of its kind in Canada and has earned for the city the title, "The sweetest city on earth". The sugar company employs during the refining season some 1,200 people and maintains a permanent staff for its operations. In southern Ontario there are some 6,200 growers. One-half are in the county of Kent. This company provides an annual purchasing power of $11 million for services and the raw products based on 1951 operations. You will note the benefits an industry of this nature brings to any community of Canada.

All the beets for the production of beet sugar are grown locally, providing employment for many people, especially our new Canadians, and this has helped to assimilate many of our immigrants into the fabric of our communities. We have encouraged immigration. The Canada and Dominion Sugar Company of Chatham have had a prime interest in establishing many of our new citizens. They have indicated in their publications their appreciation of the assistance that was given to them by the Department of Citizenship and Immigration and the Department of Labour. It would be unfortunate to have an industry of this size disrupted to such an extent that

it would be necessary to shift our workers to other places for gainful employment.

I would like to relate some of the facts of the sugar industry. Canadians consume 95 pounds per capita per year. The Canadian sugar beet industry produces some 300 million pounds or approximately 23 per cent of our consumption. The balance of our requirements are imported, mostly from empire sources. The break-down during the present year will be: domestic, 23 per cent; raw sugar, empire sources, 64 per cent; Cuban raw contract, 75,000 tons or 11 per cent; and Cuban refined sugar 2 per cent. The problem that faces the industry today is related to the importation of refined sugar. The problems over the years have been closely allied to this class of sugar. We are affected when there is an overproduction in the large producing areas. This past year Cuba produced nearly 8 million tons of sugar, which is away above the average. This amount has prompted the industry in Cuba to restrict the production for 1953 to some 5½ million tons in the hope they can dispose of their 2 million ton carryover.

If Cuba regards her production as hazardous to the industry, and does not apply restriction to production, it will mean instead of a stabilized industry one that is static and unrealistic. May I refer to the conditions around 1920. The greatest boom and slump year in modern history was 1920. The United States government, which had purchased the entire 1918 and 1919 Cuban sugar crops, had allocated supplies in co-operation with the United Kingdom sugar commission. This had exercised a stabilizing effect upon prices. At the end of 1919, with world sugar stocks rather low, the United States threw off all sugar skyrocketed to 22½ cents by May, 1920. of world sugar shortage became prevalent and a great price boom began. From about 6 cents per pound, the price of decontrol, raw sugar skyrocketed to 22½ cents by May, 1920. This fantastic price attracted sugar shipments from all over the world, from countries hitherto considered far too distant to ship to the United States and Canada. Then a disastrous slump in prices started which was not halted until 3⅝ cents was reached in December.

Neither condition was justified by the world supply situation, as there were no genuine shortages nor later surpluses. This condition was repeated in the 1930's. There is a similar parallel which is now reflected in the sugar industry. With the advent of the police action in Korea, and no one knowing how far this would develop, several countries stockpiled considerable sugar. From dominion bureau of statistics figures it will be noted that in 1950 we imported $76 million worth of sugar; in 1951, $75 million; and this year, if the last quarter is on a par with the first three quarters, we will expend around $50 million. This action was duplicated, no doubt, by all importing countries.

Mr. Murphy: You are talking about raw sugar.

Mr. Huffman: I refer to raw sugar. The international bank for reconstruction and development has stated:

> Cuba has expanded sugar production at the expense of soil fertility and water supply. They also contend they are in a precarious position through failure to diversify agricultural production.

I contend we are encouraging this condition by taking sugar from their surplus production. I also contend we are limiting diversification of our agricultural production, as this purchased surplus will result in lower sugar beet acreage across Canada. The sugar industry is located from the Pacific to the Atlantic. It is designed to refine the sugar requirements of Canada, and has done this in the past, as we have imported very limited amounts of refined sugar. It is the employer of Canadian labour. It is Canadian know-how, Canadian investment to a large extent. The sugar beet part of the industry is 100 per cent Canadian. We will never in the future of Canada produce enough sugar beets to meet the domestic requirements. This is not true of many agricultural crops. The government of Canada has lent assistance to market surplus crops in the past. This condition can be alleviated by encouraging more non-surplus crops. The production of sugar beets is at the moment carried on in four provinces, Alberta, Manitoba, Quebec and Ontario.

Many were of the opinion that the contract for Cuban raw sugar was designed so that it would earn dollars and assist Cuba to purchase greater quantities of our basic production.

Mr. Speaker: Order. I notice it is ten o'clock.

Mr. Huffman: May I have the indulgence of the house to carry on for a few minutes?

Mr. Speaker: The hon. member asks for the indulgence of the house for a few minutes.

Some hon. Members: Yes.

Mr. Huffman: Thank you very much, Mr. Speaker. We find their purchases of oats down 50 per cent from 1951; flour down 50 per cent for the same period; malt up 27 per cent; seed potatoes up 40 per cent, but the total is small; codfish, no change; machinery up 40 per cent; copper up 4½ times or 10 per

cent of total exports. There are other items which have altered very little. This indicates the balance of trade was derived from materials, not basic production.

Our people have no complaint regarding the importing of raw sugar from Cuba, and if it is thought that the amount of refined sugar, namely the 30 million pounds exported to us this year, is the correct amount for Cuba to supply, let this be added to the Cuban contract. This would make the amount 90,000 tons instead of 75,000. But I must say I am partial to empire sources of supply.

The United States government of late imports almost all the sugar requirements of that country on a quota basis, first knowing their consumption, and then analysing their sugar beet production. Then quotas for raw sugar imports are set. This procedure does away with the fluctuation caused by unusual amounts of sugar being brought in unnecessarily. Imports of refined sugar have caused a stockpiling by our local company. If it had not been for the progressive views held by the sugar company, and the building of cylindrical silos to store the bulk sugar, they would not have been in a position to accommodate this year's production.

It is very evident Cuba is employing a determined effort to dispose of this year's crop. I note that H. R. Mackeson, British secretary for overseas trade, stated:

> The government in the United Kingdom is determined not to buy more Cuban sugar than they are at present."

In March of this year representatives of the governments of producing areas and the sugar industry met in London. On September 29 the inter-sugar conference opened in London, and on this occasion it is understood Cuba was seeking control of prices—no doubt through some influence of the international bank for reconstruction and development. If Cuba wishes now to avoid chaos in the sugar industry, it is important to us that her earlier actions do not further disrupt our domestic sugar industry. Our growers have a participating sugar beet contract. The price they receive is related to the sale of sugar and plant by-products. This session I recall the hon. member for Fort William (Mr. McIvor) suggesting that if industry wish to have good relations with labour, they should share their returns. May I say this form of contract has been in effect for some time in this industry.

I have stated some of the reasons for the position the industry finds itself in today. May I state some of the things that could be done to overcome the problem. It has been suggested by grower associations that a quota system for imports of raw sugar would prevent the unfortunate condition in which the industry now finds itself. Some might feel the consumer would be the forgotten person, but I believe there are two safeguards. First, the refiners of Canada would have to buy in competition. Second, if there were no competition at the wholesale level the office of the combines investigation commission could see that there was no special arrangement between companies.

The producer of sugar beets would then be safeguarded against the position in which he finds himself. This year, after producing the crop with labour costs estimated on returns for 1951, he now finds the return per acre considerably reduced due to importations of Cuba's surplus crop and the decline in his participating contract.

Adopting the quota system would provide for the raw sugar exporters a calculated amount of import requirements. It would do away with unnecessary importations of sugar, and stabilize the entire industry. Canada is moving toward stabilization in many phases of her economy. We listened to the announcement that will help stabilize the gold industry. The international wheat agreement has a stabilizing effect on wheat. Subsidies for farm products have had the same effect. These references could be enlarged.

I trust that this is a reasoned and reasonable résumé of an important industry, and with co-operation we can attain a satisfactory solution.

On motion of Mr. Casselman the debate was adjourned.

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

HOUSE OF COMMONS

Wednesday, December 3, 1952

The house met at 2.30 p.m.

(Translation):

PRIVILEGE

MR. POULIOT—REFERENCE TO ARTICLE IN "LE SOLEIL"

Mr. Jean François Pouliot (Temiscouata): I rise on a question of privilege.

Things are always happening to me that are different from what happen to other people. I have to rise on a question of privilege about a very charming piece of news published on my account in yesterday's edition of *Le Soleil.*

The first statement is erroneous; it is a question of fact. *Le Soleil* writes as follows:

—the Pouliot family had eminently served the country, as members of the House of Commons or as officials of the House of Commons.

None of my relatives has been an official of the House of Commons.

The second sentence which I find astonishing is the following:

Also everybody believes that Mr. Pouliot has no desire of going to the Senate, because he likes the atmosphere of the House of Commons and would feel somewhat lost in the upper chamber.

The first part of the sentence is very kind but, on the other hand, Mr. Speaker, I must tell you that I would not feel lost in the Senate any more than in the House of Commons and I am convinced that though the first part of this article has been written by the correspondent of *Le Soleil,* whom I haven't seen since the beginning of the session, the second part has been concocted in a cafeteria at the corner of Cote d'Abraham and De la Couronne street in Quebec city, in the *Le Soleil* building.

It seems very tactless to make statements of that kind without waiting for the decision of the Prime Minister (Mr. St. Laurent) who undoubtedly has something to say about appointments to the Senate, and without consulting the man directly concerned who is none other than the member for Temiscouata.

I hope that *Le Soleil* will publish these remarks tomorrow at the same place the article appeared.

I remember that, when I was elected for the first time, I brought a $10,000 action for damages against the newspaper *Le Soleil,* to which I had sent a long letter to set the facts in their true light.

This letter was published. *Le Soleil* paid the costs of the action and made a retraction, in an editorial, saying that the new member for Temiscouata was "a charming fellow". I hope that I won't be compelled to resort to the same methods to have the statements of *Le Soleil* corrected.

(Text):

HEALTH SURVEYS

TABLING OF REPORTS

Mr. E. A. McCusker (Parliamentary Assistant to the Minister of National Health and Welfare): I beg leave to lay on the table the following survey reports: Saskatchewan health survey report, two volumes; Alberta health survey report, one volume; Quebec health survey report, twelve volumes; and Manitoba health survey report, three volumes.

ATOMIC ENERGY

FORECAST OF COMMERCIAL USE

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, according to press reports the Minister of Trade and Commerce (Mr. Howe) made an important announcement yesterday regarding the use of atomic energy for commercial purposes in the near future. I wonder if he would give the house a statement regarding this matter—not necessarily now but when he is prepared to do so within the next few days.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I may as well clear the matter up now. A representative of one of our newspapers was writing an article on atomic energy marking a ten year anniversary of some kind in respect of the use of atomic energy for war purposes. He asked me when I thought there would be commercial use of atomic energy as power. I gave him my estimate as being five years. I did not regard it as an important announcement, and it is simply my own opinion based on what I have seen of the development of important work in that direction.

Mr. Coldwell: It seemed important to some of us.

Mr. Howe: If it had been announced as a fact rather than a surmise I think it would have been more important.

Inquiries of the Ministry

CANADA SAVINGS BONDS

INQUIRY AS TO PRINTING WORK

On the orders of the day:

Mr. Howard Meeker (Waterloo South): In the absence of the Minister of Finance (Mr. Abbott) I would like to ask a question of the Acting Minister of Finance (Mr. Garson). Is he aware of the fact that job printing work in connection with the recent Canada savings bond issue was done in the United States? Why was this, and can the minister assure this house that Canadian printers will be given an opportunity to do this work in the future?

Hon. Stuart S. Garson (Acting Minister of Finance): As my hon. friend had not given me notice of his question I will take notice of it now and bring the answer down.

JUDGES

DISTRICT COURTS, NEWFOUNDLAND—INQUIRY AS TO APPOINTMENTS

On the orders of the day:

Mr. W. J. Browne (St. John's West): Mr. Speaker, I would like to ask a question of which I have not given notice to the minister, but it concerns a matter about which I have spoken to him several times. I wonder if there has been any correspondence or other steps taken in connection with the appointment of district court judges in Newfoundland.

Hon. Stuart S. Garson (Minister of Justice): In reply to my hon. friend's question I may say there has been no correspondence on the subject for several months.

EXPORT REGULATIONS

DRUGS TO IRON CURTAIN COUNTRIES

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I would like to direct a question to the Minister of Trade and Commerce (Mr. Howe). I would like to ask whether the government is prohibiting the export of drugs to Russia and other iron curtain countries, as does the United States government. A broadcast yesterday said that Canada was not prohibiting such exports.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the regulations covering the destination by areas of Canadian exports are exactly the same as those of the United States. I am not sure that all drugs are covered in the regulations but certainly all drugs that have strategic value are covered. Subject to correction, I think the restrictions apply to all drugs.

SCRAP IRON TO IRON CURTAIN COUNTRIES

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): In August there was a dispute regarding scrap iron going to iron curtain countries and I would like to ask the Minister of Trade and Commerce (Mr. Howe) whether such export is now prohibited by Canada.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, all export of scrap iron is prohibited except under permit and I can assure my hon. friend that no permits are granted for export to iron curtain countries or to areas near iron curtain countries.

HOGS

PRICES—CANNING OF SURPLUS PORK

On the orders of the day:

Mr. William Bryce (Selkirk): Mr. Speaker, I wonder if the Minister of Agriculture (Mr. Gardiner) would answer the question I asked yesterday.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the question of which I was given notice yesterday, although I was not here, was as follows:

I would like to address a question to the Minister of Agriculture. In view of the minister's announcement yesterday regarding the lifting of the embargo to the United States, will the minister give further consideration to the cut in hog prices to take effect December 31? Perhaps this cut could be postponed to March 1.

I would just like to say that the federal government does not set a price for hogs. All we have done so far is to say that, if no one else buys the hogs at $23 as of January 1, then we are prepared to buy them at that price. Of course, that sets a support price under hogs but it does not set a price. In addition, I would like to say that the support price on hogs has never at any time been associated with the foot-and-mouth disease epidemic. The foot-and-mouth disease epidemic did affect the cost to the government but we have not allowed the foot-and-mouth disease epidemic to affect in any way the support price put under hogs. I would hesitate at this time, when we are drawing near the end of our experience with foot-and-mouth disease, to have the two associated. We have already announced our intentions with regard to the support price under hogs, being 23 cents as of January 1, and I do not think there is anything in the recent announcement which would cause us to change that position.

Mr. Bryce: May I ask a supplementary question of the hon. gentleman? I think most

farmers are worrying about the fact that the announcement, effective the 31st of December, is going to cause tremendous fluctuations in the market, and if something could be done to stretch it out it would be a boon to farmers who have hogs to sell.

Some hon. Members: Order, order.

Mr. J. A. Charlton (Brant-Wentworth): May I ask the minister whether, in view of the fact that he is not going to change the price now, there is going to be any quota set on the amount of pork which the government will buy at 26 cents from now until the first of January?

Mr. Gardiner: Mr. Speaker, up to the moment, and there has been no announcement of any change in policy, the government has been taking the surplus of pork and canning it. We are still proceeding with that plan. Provision has been made to can up to 90 million pounds; that is, in so far as the amount of money provided for the purpose is concerned, we are in a position to can 90 million pounds. The figure is something over 80 million pounds now and we anticipate that any surplus that does come will be taken care of until the end of the year under that plan.

Mr. Charlton: Is it true that you cannot buy more than 10 million pounds between now and the first of January?

Mr. Gardiner: No, it is not true that we cannot buy more than 10 million pounds. We can buy as much as the government provides us with money to buy—and up to now they have not refused us.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, December 2, consideration of the motion of Mr. J. L. Deslieres 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. A. J. Brooks (Royal): Mr. Speaker, for a short time this afternoon I wish to discuss some matters which I know are of general interest to the people of Canada, and also some particular matters which are of interest to my own province of New Brunswick and the other maritime provinces.

Before discussing those matters I want to join with those who have already paid tribute to the mover and seconder of the address. I did not have the pleasure of listening to their speeches but I have read them and I agree that they were good, from the government's standpoint at least. I also extend congratulations, Mr. Speaker, to the new cabinet ministers—the member for Vancouver Centre (Mr. Campney) and the member for Coast-Capilano (Mr. Sinclair). The member for Coast-Capilano has been appointed Minister of Fisheries and we in the maritime provinces are always interested, of course, in the appointee to this cabinet position; because, as everyone knows, fisheries is one of the great industries of our province.

I was somewhat surprised, Mr. Speaker, at all these appointments—surprised that three of them should come from the province of British Columbia. When I say "three of them" I refer to the appointment of the Hon. Mr. Mayhew as ambassador to Japan as well. I think it is a very good appointment but, as I say, I was surprised that British Columbians should be picked for all these very important positions.

Mr. Cruickshank: A real province.

Mr. Brooks: When parliamentary assistants were appointed, we understood that they were appointed so that they might become conversant with some particular cabinet position in order that later on they might be appointed to that position. I thought that this was a sound policy. Just why the hon. member for Coast-Capilano (Mr. Sinclair), who had been parliamentary assistant to the Minister of Finance, was appointed to the Department of Fisheries I do not understand. I doubt if he had very many qualifications for the position, and we were greatly surprised.

We have had a parliamentary assistant to the Minister of Fisheries who came from the maritime provinces. When there were three appointments to be made, Mr. Speaker, we did feel that one of those appointments could very well have come to the maritime provinces, to Prince Edward Island. If these appointments were made as a reward for services to the government, the province of Prince Edward Island has certainly shown more indication, in recent years at least, of supporting the Liberal party than has the province of British Columbia.

Mr. Cruickshank: Oh, nonsense.

Mr. Brooks: We only have to go back to the recent provincial elections—

Mr. Cruickshank: Where did the Tories get?

Mr. Brooks: The Tories were pulled down by the Grits. They associated with them for too long, and it was very unfortunate.

Mr. Cruickshank: You had better change your leader again.

Mr. Brooks: As I say, I was surprised that Prince Edward Island, which is the home of the parliamentary assistant to the Minister of Fisheries, was not honoured. In the past when members of the Liberal government or the prime ministers have been defeated in other parts of Canada, they came down to Prince county in Prince Edward Island seeking a seat. I believe it was rather discourteous to overlook Prince Edward Island in this connection, and to overlook the parliamentary assistant from Prince.

Now, Mr. Speaker, the speech from the throne contains many interesting items. It is not my intention to discuss all of them this afternoon; in fact it would be impossible to do so. We are interested, of course, in the international wheat agreement. Wheat is of great concern, not only to the people of the west but to the people of the world. With the great crop of wheat in western Canada this year, the matter of markets is now of great concern to Canada.

We are interested also in the note regarding the St. Lawrence seaway. This matter was discussed last year, and it does not require much discussion at the present time. I believe that the people of Canada were very proud indeed when they learned that the development of the St. Lawrence seaway was to be carried out by Canada alone. It was a great source of pride for our people.

We are interested also in the item referring to national health grants. This subject will be discussed at greater length later on, but this matter of health is one of the most important with which we have to deal. I should like to read an item which refers to the health of the people of our dominion. This item appeared in the press a short time ago and the heading is "Says More than half Unfit for Service". It is dated, Kitchener, Ontario, November 12, and reads as follows:

> Lt. Col. H. V. Matthews of Toronto said last night that more than 50 per cent of youths trying to enlist in Canada are unfit for military service.
>
> He told a Remembrance Day gathering that of those accepted, many break down under training and have to be discharged.
>
> "We reject more people than we accept."
>
> He said he deplored lack of cleanliness among troops, apathy towards sport, absenteeism and illiteracy, and lack of ability of the men to look after themselves.
>
> Colonel Matthews is commanding officer of a rifle battalion at camp Ipperwash.

I feel that this is a very sad commentary upon the condition of the young men of this dominion. It is a great reflection also on the propaganda which has been sent out by the health department, because they have been trying to make the people believe that the health of our people is good.

In that article there is a particular reference to the apathy of the men towards sports. Sports is a very interesting subject in itself, Mr. Speaker, and I hope that at some time it may come in for a general discussion in this house. When I say "sports" I mean sports that are part of the national life of this country. I do not mean sports such as we read about recently where 27,000 people got together and cheered for athletes who were paid, and who came from a foreign country. I mean sports in which our young people take part, and where their prowess is reflected in what they do in international sports such as the Olympic games, the empire games or other international sports as well as sports at home.

The most important item in the speech from the throne was the reference to the visit of the Prime Minister (Mr. St. Laurent) to London. The paragraph reads:

> My Prime Minister and my Minister of Finance will attend the meeting of the prime ministers of the commonwealth to open in London later this month to consider important economic and monetary problems.

Our Prime Minister and Minister of Finance (Mr. Abbott) are there already. I am sure I express the wish of every member in this house when I say that we hope that they have every success. This matter of commonwealth trade is something which concerns not only the people of the commonwealth but the people of western Europe, the people of the United States, and in fact the whole free world. I listened to the hon. member for Charlotte (Mr. Stuart) a few days ago, and despite what the hon. member said I do not agree with his reference to trade with the United States. We are greatly interested, of course, in trade with the United States, but we should be more interested in the development of trade with Great Britain and the commonwealth countries.

In the past Great Britain and the commonwealth were the countries to which we exported most of our products. I hope the time will come again when these channels of export will be opened up and the commonwealth will again become the recipient of most of the exports from this country. A few days ago I read an article entitled "The Buying Picture". It reads as follows:

> The official Canadian statistics reveal the following picture; Britain purchased from Canada during the first eight months of this year products valued at $537 million, but Canada purchased from Britain during this same period British goods and commodities valued at only $228 million.

We are buying just 50 per cent of the amount of goods from Britain that she is purchasing from us.

During this same eight months, however, Canada purchased from the United States goods and commodities valued at no less than $1,917 million, or Canada purchased approximately eight times as much from the United States as she purchased from Britain.

The article goes on to say:

The problem is, then, for Britain to sell more goods in Canada so that Canada can buy more goods from Britain.

Trade with Great Britain and with the commonwealth countries, while it is of the utmost importance to the people of Canada in general, is particularly important to the people of the maritime provinces. It is not so long ago that we considered Great Britain, for instance, to be our best market for our long lumber and for our apples. If you go to Nova Scotia today, down in the Annapolis valley, you will find that where, not many years ago, they were exporting many millions of bushels of apples to Great Britain, today this trade has all dried up, much to the detriment of that beautiful part of Canada in Nova Scotia. We in New Brunswick, in years past, found a great market in Great Britain for pit props. I listened to the hon. member for Gloucester (Mr. Robichaud) the other evening; I am not going to repeat what he so eloquently presented to the house. Great Britain was a great market for Canadian pit props and she would be today, just as she would be a great market for much of our pulpwood, if she was only in a position to purchase from us.

In days gone by the British West Indies were also a great market for the people of the maritime provinces and could be again a great market for the people of Canada in general. In connection with the British West Indies I might say that we have noted in the press in recent years articles which seem to imply that the West Indies are today at loose ends, that they are looking around for some country or some place in which they can find more security. My opinion is that the British West Indies could well become, both politically and economically, a part of this great country of ours and I should like to see the day come when she is, because I believe it would be to the great advantage of the people in the maritimes especially if the British West Indies were the eleventh province of this dominion.

We in Canada want millions of dollars' worth of the products of the West Indies. They need our fish, our lumber, our manufactured products and our farm products. The West Indies being a tropical country, we need their fruits like bananas, grapefruit and other products such as cane sugar. At the present time we are buying great quantities of sugar from Cuba. We could buy sugar from the West Indies. We could also buy—and I suppose we do—much of our rum from the West Indies. It is a tropical country; we are a northern country. As I say, it would be a great advantage to a great northern country like this if we had a tropical province such as the West Indies would be, in order to round out our country, as it were.

I believe the United States has her eyes on the West Indies at the present time. She is ever increasing her influence there. From the press we learn that Great Britain has been withdrawing, from necessity more or less, her influence in this part of the world. The United States is moving into airfields. Great Britain is taking out her troops. There is every reason to believe that the West Indies today are looking for some other country with which they might join. The logical country, to my mind, is our own country of Canada.

In speaking last year, I think it was, on the subject of our trade with Great Britain, I asked at that time whether we were buying as much as we could from Great Britain. At that time I pointed out that there were certain products such as television, certain military equipment, and so on, which we had been buying from the United States and which could have been bought more cheaply from Great Britain. At that time I also pointed out that the United States, which in its papers had been advising its people to "buy British", was not carrying out the instructions which it was giving to its people but rather was making large purchases elsewhere or at least was turning down purchases from Great Britain in the matter of hydro engines and generators. I quoted particularly the instance of Seattle, which could have bought from Britain generators for its great hydro plants at almost half the price which was paid in the United States. Still she turned Great Britain down. In commenting on that situation at that time the ambassador of Great Britain said: "Do they really want to trade with us or do they not?"

Just a short time ago I read an article in the *Monetary Times*. I think the leader of the Social Credit party mentioned this matter the other day. It had to do with the question of advertising British cars here in Canada at certain motor car exhibits. This is an article which was published in the *Monetary Times* of November of this year. The heading is "British Cars in Canada" and it reads as follows:

Action of Canadian motor car manufacturers in excluding British cars from two Canadian winter

auto shows has been received with mixed feelings. Some United Kingdom motor manufacturers look upon it as a form of flattery and an admission that British-made cars constitute a serious threat to Canadian models. While they protest the ban on principle, they feel "quality will out" and Canadians will buy the car that gives them the most for the price.

In some circles the move is seen as being at odds with the "buy-British" drives of the past few years, and certainly spiking campaigns to sell more to Britain. Sir William Welsh, North American representative of the British Society of Motor Manufacturers, described it as "a rather strange interpretation of free enterprise," while others questioned Canadian chances of improving exports.

I think that article speaks for itself. There is another article in the Searle Grain bulletin which gives us an indication of how the western people feel with regard to our British markets. This article is headed "Buy British or Sell Canadian", and it reads as follows:

Great Britain is the largest single market for Canadian wheat and flour. Last year Britain purchased Canadian wheat and flour equivalent to 108 million bushels of wheat, which represented 30 per cent of all Canada's export sales of these commodities. Prairie farmers and all of us in Canada must then be greatly interested in doing everything we can to assist Britain to maintain these annual purchases and if possible to enlarge them. Britain can only continue to purchase large quantities of our wheat, flour and other Canadian products as long as Canadians in turn purchase large quantities of British goods, for that is the only way by which Britain can secure the necessary Canadian dollars with which to buy our Canadian products.

That is the reason I say, Mr. Speaker, that I am sure that members of this house hope that some arrangement will be made at this conference which is being held in London at the present time so that there may be more trade between our country and Great Britain and the British commonwealth.

There is a matter to which I wish to refer particularly this afternoon. It has to do with the military training area which is being established in the province of New Brunswick. I am sorry that the Minister of National Defence (Mr. Claxton) is not in his seat, because this is a matter which concerns his department, and it is one in which I know he is very much interested. It was recently necessary for us in Canada to establish a training area. This became very evident to our department and the government and to the people here a few years ago when we found, very much to the surprise of us all, that there was not sufficient accommodation in Canada for the training of our troops to send either to Korea or to Germany. The result was that the Canadian troops had to be trained in the United States. This, as I say, amazed the people of Canada. They were amazed to find that in this great, broad country of ours we could not find a suitable training area for our men, and had to send them into a foreign country to be trained.

[Mr. Brooks.]

We were not surprised, therefore, when the government and the department began looking around for a suitable training area in Canada. We received very little information from the Department of National Defence with reference to the selection of this training area. In December, 1951, I asked the minister what was being done in connection with the development of a military training area in Canada, and he said that it was under consideration. Again, in April, 1952—that is last session—I asked the minister a question regarding the selection of a training area. At that time he had no definite information, but simply stated that the matter was still being considered, and that certain areas were being inspected. There was no information when the house closed on July 4 of this year; but when I went down to my own province of New Brunswick I heard rumours around that a part of my constituency of Royal was to be selected as a training area. I wrote to the minister on July 16, and had a reply from him. Again he said that the matter was under consideration and that he could give no definite information regarding it.

On August 1 the announcement was made that a training area had been selected in New Brunswick, and the area selected was, as I say, part of the constituency of Royal, an area not far from the Saint John river. That was the first intimation that the people of New Brunswick, or the people of that area, had that this big training area was being selected. I think I am putting it mildly when I say that it came as a great shock to the people living in this area to read in the newspapers that their homes were to be taken from them and that this was to be a military area.

It was a notice that they had to leave their homes, that they had to leave their farms, and that they had to leave all their communities and all their associations. This will be done, Mr. Speaker, at great sacrifice. It is not easy for people to pick up and leave home; it is not easy for them to leave their churches, their schools, their friends and societies. There are over 1,100 families in this area in Queens and Sunbury counties of New Brunswick. There are over 1,100 homes, and the people in those homes have to be displaced. They are splendid people; they are people whose ancestors lived in that section of the country for four and five generations. It is one of the oldest settled parts of the county of Queens in the province of New Brunswick.

As I have said, all these people wanted was to be sure that the site was required, and all they read was what they saw in the newspapers in a short article. I have it here. It

simply says: "Huge New Brunswick army campsite is confirmed. Land purchases for big project will begin soon." The people wanted to be sure first that it was necessary for them to leave their homes, to leave their churches, to leave their societies, to leave all that they had had in the past; that it was necessary for the defence of this country.

I repeat, Mr. Speaker, that the Minister of National Defence, in connection with a matter such as this, should have gone down and told these people why it was necessary for them to leave their homes. As I said, there are 1,100 families, some 2,500 people, to be moved out. This matter should not have been first announced in the newspapers. This was a great shock to them. The minister owed a duty to these people, a duty which should have been carried out. If the minister himself could not have made the visit, then the Minister of Labour (Mr. Gregg), who is our representative in the cabinet, and the deputy minister of national defence, might have done it; but it was not done. Instead of that, Mr. Speaker, a false impression was given. The impression was given that this area was being selected by politicians. In the article of August 2, after the announcement of the campsite was made we have under the caption "Worked to get campsite" the pictures of the three members of parliament, the hon. member for Saint John-Albert (Mr. Riley), the hon. member for Charlotte (Mr. Stuart) and myself. The article goes on to say:

> Three New Brunswick members of parliament who took leading roles in the campaign to have Canada's biggest military training base established in New Brunswick are seen above.

Well, I was in this house all during the time that I have mentioned. No mention of this campsite in New Brunswick was ever made. These people, who as I say should have been advised by the Department of National Defence, read in the paper that this campsite was more or less selected by members of parliament. They asked me, as they had a right to ask, what qualifications, for instance, has the hon. member for Saint John-Albert to pick out a campsite for the training of a brigade or a division in this country? They asked of the hon. member for Charlotte, what are his qualifications?

Mr. Fraser: None.

Mr. Brooks: They could ask of me, what are my qualifications? I think I have a little more perhaps than either of the other two because I have some little experience; but none of us had any qualifications. These people who are losing their homes wanted to know why it was that three politicians should be mentioned as having been responsible for getting a campsite down in the province of New Brunswick. They were satisfied that there was only one way in which a campsite should be chosen, namely, by the best military experts that there are in this country visiting that site and visiting other sites and selecting a site which they considered the best; and after having visited the site and made their selection then they should have reported to the government. The government made the decision, as I said a moment ago. Then the Minister of National Defence or some other outstanding person from his department should have gone to these people, who are being asked to make so great a sacrifice, and explained to them why it was that they would have to leave their homes, and leave everything which they have cherished over a great many years.

Mr. Stuart (Charlotte): I wonder whether I could ask the hon. gentleman a question.

Mr. Brooks: Yes.

Mr. Stuart (Charlotte): Is the hon. member prepared to state that he is in favour of having a campsite in New Brunswick or not?

Mr. Brooks: I am the only one of all the members of the province of New Brunswick who ever advocated a campsite in that province. I also say to my hon. friend that I am not opposed to the campsite where it is today if, as these people wish to be assured, it is in the interests of the defence of this country, and if no other comparable campsite could have been obtained without the displacement of 1,100 families.

I know what my hon. friend means. This campsite is partly in my constituency. I have said, and I repeat today, that more care should have been taken in making the selection. Some of my opponents have tried to make it appear that I have been opposed to a campsite in New Brunswick. I am asking the minister to give us a report not only on the campsite to which I am referring, but on the other five campsites, or prospective sites, which were inspected.

I would ask for a report on the campsite near Utopia, in my hon. friend's constituency. I advocated in the house that it should have been chosen as the campsite for New Brunswick. Why? Because the department already has a large military camp in the area, and some millions of dollars have been spent at Utopia. We have an airfield there, we have headquarters, we have sewage and water facilities. In addition there is an extensive area at the rear in which no one is living—there are no 1,100 families to be displaced. True, one might find a few families, but there would be no great displacement of people.

Then, near Utopia is the bay of Fundy; and in these days, when we read of military manoeuvres, what better site could we have for combined operations than one near the bay of Fundy, where ships could be used? An airfield is already established at camp Utopia, and there is also a great back area that could be used for the manoeuvring of army personnel.

Utopia I thought would have made an excellent campsite. I still think so; and until the Minister of National Defence gives the House of Commons and the people of Canada the reason why it was not selected, and the area on the Saint John river was, I will continue to have that opinion.

I have this further to say. If it is necessary for these people to make this sacrifice in the defence of Canada, I am sure they are willing to do so. A few moments ago I made reference to the people in that area, and I can say there are no finer in New Brunswick. One has only to go back to the records of the last two wars to learn the calibre and the patriotism of these people. They have their war memorials on which the names of their dead are carved. They have their honour rolls, which compare more than favourably with those of most other sections of equal size. They have good farm land and good dairy herds; some of the finest in the province are found in this area. Adjacent to it is a large dairy. Seventy-five per cent of the milk and cream comes from this area.

If these people are to be displaced, then let me impress upon the government the fact that they must be well paid. They must receive more than mere payment for their lands. They must be paid not only for their lands alone but also for the sacrifice they are making. It is not easy for people to leave their friends, their communities, their society, their schools—yes, and their cemeteries. I am told it is the intention of the department to take up the bodies of those who have been buried there for years and to move them to other cemeteries in the province.

This whole area, which for five generations or more has been the home of some of our best New Brunswick citizens, is to be practically obliterated, and they are to be scattered to wherever they can find other homes. Not only is the cost of the farms involved, but the further fact that these farmers have been spending much of their time looking at other places in the province, and in other provinces, to which they may move.

This year they are selling off their stock, so that they will not have the income from cattle that they had last year. They have made no provision for next year's crops, because they are to be moved out. The result is that they will have no income. I would hope that when the department is considering the purchase of the farms from these people it will take into careful consideration the matters I have mentioned and others.

I shall discuss only briefly the question of employment. I believe the minister's department has given the guarantee that citizens of this area will be given preference in filling the 2,000 or 3,000 jobs that will be available. That is only right. However, only a week ago I received a wire from people down there saying that employees were being brought in from other provinces to work in this area. Upon making inquiry I was told by the department that it would investigate the matter.

We do not want that sort of thing. There is much unemployment in New Brunswick today. Let me impress upon the department and the government that it is not necessary to bring in workers from other provinces to this area, except to do some technical work which the people in the area might not be capable of performing.

In the matter of purchases of produce and the like, I should hope that the farmers of the surrounding area and New Brunswick in general would be given preference.

Then, large quantities of coal will be required. Arrangements will have to be made so that New Brunswick coal can be used. Suitable heating equipment will have to be set up for this purpose. I know that the coal miners association of New Brunswick located at Minto has been in touch with the government, and has given all the particulars in the matter. I would simply renew these representations. The Minto coal area is only a few miles away from the area in question, and I suggest it would be both convenient and economic for the department to obtain its coal supplies from the Minto area. This certainly should be done.

I do not intend to discuss this subject at greater length this afternoon, except to say to the government that I ask—yes, I demand—that the people in this area who are making the sacrifice not only for the people of their own province but, as they have been told, for the whole of Canada, shall be treated justly and fairly.

My time has almost expired. It had been my intention to deal with another item in the speech from the throne connected with veterans affairs. There will be an opportunity to do that later. However, I notice that the benefits provided under the Veterans Benefit Act are to be continued. This is

something which is of course a routine matter and will be continued as long as the Korean war is in progress. The second item is education for children whose fathers died during war service. This is something which has been recommended by the Canadian Legion and the veterans affairs committee on different occasions, and I am very pleased to note that the government is now taking the matter under consideration.

The Prime Minister, when discussing in his speech the other day the increases for veterans asked for by different members, said that the hon. member for Royal had asked for many such increases. That is a fact and I make no apology for having done so. When the government came before the veterans affairs committee in 1948, for instance, and offered the veterans of this country an increase of 10 per cent in their pensions, I moved an amendment that the increase be 33⅓ per cent. At that time they were raised by 25 per cent and today the increase is greater than 33⅓ per cent. I feel I was quite justified, as were other members, in asking for that increase.

When the pensions were increased in 1951 we asked for an increase in war veterans allowances. It was justified then and if it had been given at that time many of our old soldiers who suffered during the winter of 1951 would have had a much easier and more comfortable time. I and other members asked for an increase at that time. The increase for which I had asked was given in 1952, and in the eyes of the government it was then justified. I have asked time and again for increases. If there is a veterans affairs committee this session, as I feel there should be, I shall again ask for what I believe to be reasonable consideration for war veterans.

We have had the different veterans organizations before us in the veterans affairs committee many times. They have presented their briefs on these occasions but I have never felt that the veterans and pensioners of this country were trying to exploit the government and the taxpayers of Canada. I have always felt that what they asked for was reasonable, just and right and that their only object in making such requests was to improve the situation of their comrades and other veterans.

Mr. E. A. McCusker (Regina City): Mr. Speaker, I was gratified to hear the assurance given to the house by the Prime Minister (Mr. St. Laurent) two weeks ago when he said that he had impressed upon the royal commission inquiring into the South Saskatchewan river project the urgency of submitting a report with the greatest possible dispatch. The Prime Minister said at that time that he would be disappointed if the commission's report was not available before Christmas. As a member from Saskatchewan, I have naturally followed the deliberations and the progress of the commission with very close interest, and I shall have more to say on the matter when the report is made public.

I have risen to speak in the throne speech debate because of a subject that is of particular interest to me as a physician and because of my association with the Department of National Health and Welfare as parliamentary assistant to the minister. I welcome the reference in the throne speech debate to the extension, with certain changes, of the federal national health program. I might say here that it has given me particular pleasure to note the great interest displayed in this subject by various speakers who have preceded me. However, there seems to be a certain amount of misunderstanding because a number of members referred to a "proposed" national health plan. Surely hon. members are not unaware that there is a very ambitious national health plan under which the federal government has, during the past four and a half years, spent approximately $100 million. I believe they made available for this plan approximately $167 million but the provincial services had not advanced sufficiently to be able to absorb the grants as rapidly as they were offered.

Because of this program greater health progress has been made during these four and a half years than during any other similar period in Canada's history. I am sure every member of the house would give his full support to any measure that would help to strengthen the health services available to the people of this country. For this reason the house will await with interest a statement in due course that will amplify the government's intention as expressed in the speech from the throne. I am sure it will readily agree that any statement of government policy in this regard should be made by the Minister of National Health and Welfare (Mr. Martin). As hon. members know, the minister is now attending the general assembly of the United Nations where he is acting as chairman of the Canadian delegation. I think I can assure hon. members that on his return he will give the house more information as to the next steps that are proposed in our national health plan.

My purpose in speaking today then is not to outline future plans but rather to clear up certain misunderstandings that now seem to exist as to the purpose, the scope and the progress of Canada's national health plan. The house now has before it an

amendment to the amendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell) on behalf of the socialist party of which he is the leader. This amendment expresses regret that the government has failed to recommend legislation establishing a nation-wide health insurance program, with provision for provincial administration. In order to see the problem in its proper perspective, it seems to me that we must examine two key questions suggested by the amendment itself. The first is: What is health insurance? Second, since the amendment to the amendment suggests provincial administration, we must take a look at the constitutional alignment of responsibilities in Canada in the health field.

Since we are considering a subamendment dealing with health insurance, it is important that every member of the house should have a clear appreciation of just what is meant by this term. Health insurance in the best sense is a good deal more than providing some method of prepaying costs of illness. I am afraid that when people think of health insurance too many of them think of it in the much more limited sense of sickness insurance, as I fear the hon. member for Rosetown-Biggar does.

Mr. Coldwell: Oh, no.

Mr. McCusker: As a physician I recognize the importance of this aspect of health insurance. I realize the difficulty experienced by many families in meeting costs of hospitalization and medical care when sudden illness strikes. But as a physician I also recognize that any health insurance program worthy of the name should have a much broader objective. It should be a comprehensive plan organized and directed towards promoting good health. A comprehensive national health plan should include the establishment of adequate preventive, diagnostic and early treatment services and should encourage the full use of these services in order to see that every citizen will not only be assured of adequate care in the event of illness but will be encouraged to take positive steps toward the goal of good health. When a national health plan is considered in terms of these broader objectives it becomes clear what was meant by the late prime minister, the Right Hon. W. L. Mackenzie King, when, in announcing a national health program in 1948, he emphasized that the federal grants thus provided represented foundation measures and, indeed, the first steps in the overall development of a comprehensive national health plan. When we consider the program within this broader framework it must be evident to every member that much solid progress has already been made in Canada towards achieving our goal of the best health insurance system in the world.

In a few moments I wish to outline a few highlights of the national health plan, but before doing so let me say a word about the constitutional division of responsibility for health and welfare in this country. Governmental responsibility for health and welfare action in Canada provides an interesting study. In Canada at confederation there was no such thing as social welfare in the modern sense and, for this reason, there is no clear statement in the British North America Act placing social welfare under the jurisdiction of either provincial or federal governments. However, in the health field, apart from certain statutory responsibilities delegated to the federal government—such as control of food and drugs, sick mariners and others—the responsibility for health services is clearly placed in the hands of the provincial authorities.

Over the years the need for social action has increased and, gradually, public opinion has changed to favour a measure of national responsibility for welfare services. The pressure was no doubt increased by our experience during the depression years, when the municipal and provincial governments found it exceedingly difficult to bear the increasing costs of various social measures; and so the federal government has been asked to share more and more responsibility in this field.

The upward thrust of responsibility from municipal to provincial and from provincial to federal governments has been particularly marked during the post-war years, and we have seen the federal government progressively drawn into the health as well as the welfare field. To illustrate the vast increase in the extent of health and welfare measures, and to indicate the changing responsibilities, it might be useful to examine the changed pattern of social expenditures over the past twenty-five years. Let us compare health and welfare expenditures in 1926 to similar governmental expenditures in 1950. In this twenty-five-year period municipal expenditures on health and welfare increased from $21 million to $72 million. Provincial expenditures increased from $17 million to $238 million. Federal expenditures increased from $50 million to $723 million.

These figures clearly illustrate the increased cost of health and welfare measures and the vastly increased participation of the federal government in those fields. This year all governments in Canada will spend $1·25 billion on various health and welfare measures. Here I might remind hon. members that a clear distinction cannot be drawn between what is spent on health and what is spent on welfare. In the final analysis health and welfare are indivisible. For

example, family allowances, which provide greater economic security to the whole family, have their effect on the health of the people by making possible better standards of nutrition and more adequate medical and dental care. Other welfare grants such as old age pensions, veterans allowances, blind pensions, unemployment insurance, and I could name many others, all have their beneficial effects on health.

Today, however, I would like to deal only with those federal expenditures directly bearing on health. When the health grants came into effect in 1948 the federal government recognized that there were certain weaknesses and deficiencies in Canada's health services that could not be corrected within the limits of provincial budgets. The federal government decided, therefore, to make federal grants available to all provinces to assist them in improving their health facilities and thus to pave the way for the introduction of a comprehensive health plan.

There were three main areas in which the federal government felt that accelerated progress was needed and grants were accordingly directed towards those needs. The first was in health information. Basic information on the nation's health facilities and services and on our future needs was wholly inadequate. To offset this situation the government offered grants to each province for the purpose of conducting comprehensive surveys of the provinces' health resources. I shall have more to say about those surveys in a moment.

To supplement the information contained in the provincial surveys, the government undertook a national sickness survey to ascertain the incidence of ill health in this country, as well as the adequacy of health care available to the average Canadian family. We were short of facilities and equipment. To help overcome deficiencies in our health facilities, the government offered grants for hospital construction as well as for the establishment of clinics and other health services.

Grants were also made available for the training and employment of badly needed health workers and for the purchase of specialized equipment and supplies for local and provincial health services.

It was recognized that a great deal more could be done to combat such serious health problems as cancer, tuberculosis, mental illness, crippling conditions in children, arthritis and rheumatism.

Special grants were earmarked to help the provinces develop improved services and facilities in these fields.

Now let me say a word about provincial health surveys to which I have already referred. Let me emphasize that the preliminary work of building the necessary facilities and equipment with the aid of federal grants has, from the first, been recognized as an essential prelude to the inauguration of the insurance aspects of our national health plan. The purpose of the provincial surveys are twofold. Through the surveys accurate information would be made available on the future needs of the provinces and would provide for the intelligent utilization of the grants. The surveys would give each province an opportunity of indicating whether they felt they could now move on to some further stage of health insurance. Nine of the ten surveys have now been received and it is interesting to note the views they expressed.

In general, they commend the government on its grant program and reaffirm the fact that facilities and services will have to be brought to better levels before the next step can be taken with any assurance of success. In view of the wide publicity that has been given to the provincial surveys it seems rather astonishing that so much misinformation or lack of information seems to exist on the subject.

Let us consider statements in the past ten days by members of the three opposition parties in this house—first of all, the official opposition—the Progressive Conservative party. On November 24 the Leader of the Opposition (Mr. Drew) said in this house, and I quote from page 29 of *Hansard:*

> . . . there should be general agreement that the first and necessary step in dealing with this subject is to institute an inquiry which would be conducted by representatives of the medical profession, the hospital boards, the dominion, provincial and municipal governments.

Note that the Leader of the Opposition suggests that "the first step" in the institution of a national health plan is to conduct such an inquiry. He said that it would be improper for the dominion government to proceed further with its plan in this field without the most extensive inquiry to ascertain the basic facts upon which any sound approach to this problem must depend. Surely the Leader of the Opposition, for all his extensive travels in recent months, could not have gotten so completely out of touch with things in his own country that he was not aware that ten provincial surveys had already been conducted, nine completed, on the very kind of inquiry that he had suggested. Surely, the Conservative party is not so conservative that it still wants us to call conferences that have been called already, make studies that have already been made or draw plans that have

been drawn up. How could a party and its leader be so far out of touch with reality as to be unaware of what has taken place in the country for the past four and a half years.

The only parallel I can find for this state of amnesia is in the fabled sleep of Rip van Winkle. May I point out also that the artillery used by the Conservatives in attacking the government health program is just as rusty and ineffective as was the old fowling piece of Rip van Winkle after it had lain beside him during his twenty years of slumber.

The C.C.F. party do not want studies. They want action, headlong action, regardless of the consequences. Last session the C.C.F. party was embarrassed by the conservative views of the hon. member for Moose Jaw (Mr. Thatcher), whom I see sitting over there today. He would like to see the means test reimposed on old age pensions and extended to family allowances. What are his views on the demands of his party today? He has not been allowed to express them. This time they are not taking any chances. Their leader has laid down the party line right at the start. The socialists who want the co-operation of the provinces should re-read the provincial health surveys. If they did, they would find that only two of these reports have suggested that the time is opportune.

The member for York South (Mr. Noseworthy) suggests that we take the health insurance plans of other countries, Sweden, France, Belgium, Holland, New Zealand or England, and superimpose them upon our own excellent health services. I submit that would be just as sensible as superimposing a volkswagen body on a Cadillac chassis.

Then, last Wednesday, the hon. member for Winnipeg North Centre (Mr. Knowles) again assured us that a national health plan is not something to be approached gradually. No; the C.C.F. would have us go ahead regardless of whether we are ready or not and regardless of the views of the provinces.

Mr. Knowles: Did you not just say that plans were already drawn?

Mr. McCusker: Just a moment; I am making this speech. The Social Credit is one party on the other side of the house which is properly labelled, for in the realm of social action they at least give credit where credit is due. Hon. members will recall the words used by the leader of that party about two weeks ago when he said, and I quote from page 56 of *Hansard* for November 24:

> I think a fair start has already been made in Canada, and it should be aggressively expanded and extended as rapidly as resources can be made available, consistent with sound development practices.

[Mr. McCusker.]

At least the Social Crediters have some appreciation of the progress that has been made over the past four and a half years to build a better level of health services throughout Canada. The hon. member for Peace River (Mr. Low) at least recognizes that we have had for four and a half years a definite, concrete and aggressive health program, and does not continually refer to a "proposed" national health plan. The attitude of the hon. member for Peace River is oddly at variance, however, with the tone of the Alberta health survey report which recommends the immediate introduction of compulsory health insurance. I have the report here. In view of the remarkable divergence of views between the Social Credit government of Alberta and the national leader of the Social Credit party, it might be just as well if the hon. member were to state which is the official view.

So much for the surveys; so let me now deal briefly with some of the other features of the federal national health plan. Time will not permit me to go into detail on all that has been accomplished with the aid of federal grants towards building up the needed hospital accommodation, training additional staff, extending existing services and establishing entirely new facilities. Perhaps I might first pick out from the thousands of projects that have been submitted by the provinces over the past four and a half years, and involving federal expenditures of $100 million, seven or eight of the main highlights.

Since the beginning of the program, federal aid has been approved for more than 400 individual hospital construction projects which will provide 41,000 new hospital beds. To help overcome staff shortages, special training has been provided to some 3,900 professional health workers in various fields. Federal funds have been used to employ several thousand additional health workers in provincial and local health departments. Substantial support has been given towards the establishment and equipping of various clinics, diagnostic centres, outpatient departments in hospitals, and other public health services. Over two million Canadians are receiving X-ray examinations each year in an effort to help detect unsuspected tuberculosis in its earliest stages. Assistance has been given towards the establishment of mobile and stationary clinics for the treatment of arthritis and rheumatism. Campaigns against cancer and other serious health hazards have been greatly intensified.

When I am speaking about cancer, may I produce here the act that was passed in Saskatchewan in 1944 and made law in June before the C.C.F. came into power. I am doing this because on a previous occasion when I

spoke in this house the member for Melfort (Mr. Wright) said that the cancer legislation had been introduced by the C.C.F. government. Here is the act, and it was law before the C.C.F. government came into power. I may say that the body of the act has not been changed since that time.

Mr. Coldwell: What was the date of the act?

Mr. McCusker: It is the Cancer Control Act, 1944, and it was made law on June 15.

Mr. Coldwell: Just a month before the dissolution of the legislature.

Mr. McCusker: Well, it was law. There has been an impressive increase in medical and public health research. These are but a few of the encouraging developments of the past few years. There are some who claim that the Liberal government has been promising action but doing nothing since a health program was first considered in 1919.

I would ask them to look at the record of the past 33 years. They will see a tremendous increase in government expenditures on health from 1919 to 1951. I have just quoted you the figures. They will also see many evidences that these expenditures have paid off in better health. The general mortality rate has been impressively decreased. Infant and maternal mortality rates have been slashed. Tuberculosis is being brought under control. Diseases like smallpox, diphtheria, whooping cough, etc., have been effectively checked. There can be no question but that Canadians today have access to better health than at any previous time in our history.

Gradually and unceasingly over the years, more particularly since the inauguration of the national health program, Canada has moved ahead along the path towards a comprehensive nation-wide health plan for the people. In the light of past progress and existing needs, plans for the future will be made.

Before taking my seat I should like to say a few words about the stand of the C.C.F. and about their record in my home province of Saskatchewan. Let me first point out a few glaring inconsistencies in the statements of the C.C.F. members.

In a national broadcast their leader said that health insurance would "replace entirely" the amounts now being spent by individuals on health care. Surely the hon. gentleman knows this is not realistic. Surely he knows that these services must be paid for by somebody. Hon. members must realize that we have gone a long way on the path towards ensuring the best of health for Canadians. The transition has been gradual and has not disrupted our economy.

I think the following story will illustrate the manner in which this transition is taking place. Professor Howell of the Royal Victoria hospital in Montreal was asked to outline for McGill university a curriculum which, if followed, would result in the graduating of cultured young men and women. He replied that this was difficult. Culture, he said, was something that came upon one who studied, who read and who thought a great deal and it came upon him gradually and was lasting. This is the manner in which our health program has progressed, it has been built gradually, firmly and it will last.

True health insurance cannot be purchased with a lump of money nor can it be achieved by a half-baked C.C.F. pre-election plan. It will be the reward of much planning, much thought, much study and a great deal of hard work.

It is only a few months since the hon. member for Winnipeg North Centre (Mr. Knowles) was castigating the government for its failure to set up a parliamentary committee on health insurance. Now his leader says he hopes the government will not set up a committee. He says we have had enough committees.

Then in another national broadcast the leader of the C.C.F. party suggested that the federal grants are not high enough to encourage hospital building. Surely the hon. member must consider 41,000 beds in 4½ years to be a fairly good record.

When speaking the other day the hon. member for Saskatoon (Mr. Knight) was quoting figures that I did not consider were correct, and I asked his permission to place the correct figures on *Hansard*. I asked if he wanted the correct figures and he said no.

Mr. Coldwell: He said yes.

Mr. McCusker: He said no.

Mr. Noseworthy: He said yes.

Mr. McCusker: I will read you *Hansard*. He said no.

The Acting Speaker (Mr. Robinson): Order.

Mr. McCusker: I have here statistics of hospital construction grants, beds approved up until November 12, 1952. Grants have been approved for 41,075 hospital beds and also—something that we had not been planning for until recently and which is a new grant—3,245 nurses' beds. While I am correcting the statement made by the hon. member for Saskatoon I might just as well correct a statement that the leader of the C.C.F. made on the radio. He said that in 1944 there were less than 4 beds per thousand in Saskatchewan. The hon. member for Saskatoon said that there were 3·7. The

correct figure is 4·8. I have the statistics here which show that. I have them for the year 1941 and they give the figures. I have not time to give them all but they are available to the house if hon. members want them.

There is another matter that both the leader of the C.C.F. party and the hon. member for Saskatoon forgot to mention. They were telling of the great number of beds, almost 7 per thousand, that we have in Saskatchewan. The fact that they forgot to mention is that the population of Saskatchewan has fallen off 7 per cent since we have had a socialist government there, while the population of Canada has increased 18 per cent. It is therefore easier to provide beds when you have a falling population, coming down to the beds that you have, than when you are building up to catch up with an expanding population.

I now wish to say a few words about the health program in my home province of Saskatchewan.

Mr. Coldwell: Mr. Speaker, just before the hon. member proceeds, may I say this.

An hon. Member: I hope you take this time out, Mr. Speaker.

Mr. Coldwell: I am not objecting to an extension of the time. I suggest that the hon. member look at page 220 of *Hansard*. If he does so, he will see there the following:

Mr. McCusker: Does he wish to give correct figures?

Mr. Knight: The answer is yes.

Mr. McCusker: All right. Read the next question.

Mr. Coldwell: Very well.

Mr. McCusker: Then will the hon. member permit me to give them?

Mr. Croll: And the answer is no.

Mr. Coldwell: The answer is:

Mr. Knight: No. As I explained, I have the source for all these figures. If my friend wishes to correct them in a speech of his own, that is his responsibility.

He is doing that now.

Mr. McCusker: I am doing that now.

Mr. Coldwell: That is what was suggested by the hon. member for Saskatoon.

Mr. McCusker: Now I wish to say a few words about the health program in my own province of Saskatchewan which receives such extravagant praise from the socialist side of the house. There is a sort of legend which has grown up in Canada that the C.C.F. has built a wonderful health program in the province of Saskatchewan. As a Saskatchewan physician, I would be the last to suggest that Saskatchewan has not an excellent health program; even though we have nothing to be complacent about, I am proud of it. But if we are going to pay tribute to the health progress made in my home province let us look to the facts and pay tribute to those pioneers who were responsible for it.

Mr. Coldwell: I have done that.

Mr. McCusker: Our excellent health structure in Saskatchewan was not built up in the comparatively short time that the province has been in socialist hands but over the past two generations. Long before anyone had ever heard of the C.C.F., the foundations were laid. For instance, I know that the first elements in the province's health insurance program date back beyond 1916. I know that the municipal doctor schemes and the district hospital plans date back to the first world war. The province's excellent tuberculosis control program goes back even further to 1910, and free treatment for all patients in sanatoria was inaugurated in 1929. I saw these and other health programs develop under other administrations. I was present at the birth and know who fathered these plans for which the C.C.F. now claim parentage. The solid health structure that now exists in Saskatchewan has been a slow and steady development, built on sound foundations.

In Saskatchewan we constantly hear it said that we had no public health department. Let me quote a few statistics on health in Saskatchewan. In 1922 there were 134·7 cases of diphtheria per 100,000 people and in 1944 the rate was down to 10·9 cases per 100,000 people. As to scarlet fever, in the period 1920 to 1924 inclusive, there were 289 deaths from that disease in Saskatchewan. In 1940 to 1944 inclusive, there were 39 deaths from that disease. With regard to smallpox, in 1922 there were 33·1 cases per 100,000 of population. By 1944 the rate was down to no cases per 100,000; there was no smallpox. As to typhoid fever, in 1922 there were 31·6 cases per 100,000 people. By 1944, the rate was down to 2·1 cases per 100,000. In the five years from 1938 to 1943, preceding the C.C.F. advent in Saskatchewan, over 500,000 children were immunized against smallpox, diphtheria, scarlet fever and whooping cough.

I ask hon. members this question: Can you say that a province can achieve that record without a good health service?

The province's excellent Cancer Control Act was enacted by a Liberal government before the C.C.F. came into office. When the

socialists got in in 1944, their first step was to engage Dr. Henry E. Sigerist, dean of medicine of Johns Hopkins university, to survey the province's health services. I have his report here. Let me read a quotation from the Saskatchewan *Star-Phœnix* of September 21, 1944, reporting a public address by Dr. Sigerist:

> He praised the present facilities and standards of health in Saskatchewan, stating that the province had a superb record and a splendid set-up which had been built up in years of gradual work. It was only a question of extending those facilities.

Dr. Sigerist went on to say:

> When a history of North American medicine was written, Saskatchewan would have a special chapter for its pioneer work in this field.

We all know who the pioneers in medicine were in Saskatchewan, and they certainly were not socialists, nor were they friendly toward socialism, or its ideas. They were men who detested socialism. Dr. Maurice Seymour, the first deputy minister of health in Saskatchewan, was responsible for a lot of the good record that I have just read. Then there was Dr. Ferguson, who was responsible for the organization of our campaign and the building of our hospitals in Saskatchewan to take care of tuberculosis, and who is world famous. Dr. Munroe—and I am sure the Leader of the Opposition (Mr. Drew) will be glad to hear this because he was the Conservative minister of health in Dr. Anderson's government—introduced the cancer legislation in Saskatchewan.

Mr. Drew: I am not learning that from you just now. Like the other things, I knew this for a long time, because I was associated with him.

Mr. McCusker: You forgot them the other day.

Mr. Drew: No, I have not forgotten them.

Mr. McCusker: Dr. Uhrich, the minister of health in the Liberal government of Saskatchewan, introduced free cancer treatment, among other things. It must be evident to all that the health program for which the C.C.F. is taking much credit in Saskatchewan is simply an extension of earlier programs inaugurated by other governments, and that any developments, outside of hospitalization, taking place today are being paid for in substantial measure out of federal grants, and that we are also paying our share toward hospital and nursing residence construction.

Once upon a time the leaders of the C.C.F. party in Saskatchewan were mostly poor men who talked about socialism. Now they are mostly comfortable capitalists with a love of travel. They believe in private ownership for themselves and state ownership for others. If they cannot get votes on socialism, they try to get them on sickness. Despite the hysterical campaign the C.C.F. party is conducting in an attempt to urge precipitate action on this house, I am convinced that Canadians generally are favouring the sensible, gradual approach to these problems that has been the mark of Liberal policy over the years. That labour does not approve of this campaign is indicated by the following editorial from the current issue of the Trades and Labour Congress magazine:

> There is no question that the vast majority of Canadians need and want a system of health insurance. Our politicians have realized this for a very long time and have used it many times for vote-catching purposes. Most people want it with or without any petitions which might be construed as another effort to advance a particular political cause by some further exploitation of a long overdue and urgently desired need for better health. Organized labour does not want to see the question of health insurance politically muddied.

Is this not precisely what the C.C.F. is doing today when they are issuing petitions, putting on campaigns to force this on the government in spite of what the people of the different provinces have indicated they want?

Disraeli said:

> Health is the first duty of a statesman.

Today, judging by the C.C.F. campaign, there is danger of it becoming the last refuge of a politician.

Mr. P. E. Wright (Melfort): Mr. Speaker, in rising to take part in this debate my first observation would be that the speech from the throne reminds me very much of the grab bags which used to be sold in our general stores some years ago. When you opened them you found a lot of everything in them, but not much of any one particular thing. That seems to be about the story with regard to the speech from the throne. It deals with a great many subjects, among them being the subject which has just been dealt with by the hon. member for Regina City (Mr. McCusker). He has given us a considerable number of statistics with regard to what has been done in the field of health in the dominion and in the province of Saskatchewan over the last few years. His remark that the C.C.F. in the province of Saskatchewan are not now giving credit to the people who started some of these health measures is not true. On many occasions I have heard ministers of the crown in the province of Saskatchewan giving credit to Dr. Munroe. In fact they named one of the wings of the cancer clinic in Regina for Dr. Munroe, in honour of the basic work he had done in that respect.

The hon. member for Regina City indicated that I had on one occasion stated that the legislation with regard to cancer in the province of Saskatchewan had been passed by the C.C.F. government. He also indicated that the act had actually been proclaimed, if I remember correctly, on June 15, 1944. If my memory serves me rightly, I think the election was held on June 18, 1944. In other words, the act was proclaimed just four days before the provincial election.

Mr. McCusker: I am sure the hon. member does not want to be inaccurate. The act had passed through the legislature and had been approved—

Mr. Coldwell: Just before the dissolution.

Mr. Wright: It was proclaimed just four days before the provincial election. There is no doubt that a national health scheme for Canada can only be put into effect, and be effective, when there is basic education with regard to health and welfare services in this country. But surely if the figures given by the hon. member for Regina City of the basic investigations that have been carried out over the years are true, then we have reached the time when we can take another step forward in these health services which are so necessary to our Canadian people.

I am sure that Canadians were startled during the last war when it was proven that out of the men enlisting for active service approximately 42 per cent were unfit. That condition is not much better today. In fact it is worse, if the figures given recently by Lieutenant Colonel Matthews are correct, in which he states that 50 per cent enlisting today are physically and emotionally unfit for service in our armed forces. Surely it is time we made another step forward. We in the C.C.F. believe that national health insurance is the next forward step that should be made in Canada toward an over-all social security program for our people.

There are three distinct differences of opinion with regard to this matter. The Liberals state their position quite clearly in the speech from the throne. They say this:

> Much has been accomplished since the inauguration in 1948 of the five-year national health grants program to strengthen and improve, in co-operation with the provincial governments, the health and hospital facilities available to our people. To ensure the continued expansion of this important work, my government proposes to ask you to give consideration to the extension, with certain changes, of this program of co-operation with the provincial governments.

I do not know what the Minister of National Health and Welfare (Mr. Martin) may announce as to what that further step will be; whether it is just going to be an extension of the present hospital grants; whether it is going to mean an increase in those hospital grants, or whether it is going to mean what I believe, and what we in this group believe, should be a new step forward, which will give to our people complete health care. I say that because I am convinced we have reached the point in Canada where we can take this step, by extending the services we now have and which we are able to extend.

The health survey tabled by the government in Saskatchewan indicates that in that province we have carried on an experiment in provincial health services which could serve as a guide to other provinces, and to the dominion, in extending our medical services to full coverage at this time.

As the hon. member for Regina City (Mr. McCusker) said, medical health services in western Canada have been growing over a period of years. The municipal doctor plan was inaugurated after the first war, and there are now in Saskatchewan 110 physicians with municipal doctor contracts. These physicians provide a varying range of services to approximately 200,000 persons in 107 municipalities in which there are municipal doctors.

Not only this, but in that province a great number of our physicians are engaged in some form of social medicine. Out of 563 active practitioners, 58 are employed in hospitals or institutions, 110 have municipal doctor contracts, and 36 are engaged in the Swift Current health area. This means that in Saskatchewan 204 out of 563 medical practitioners are already engaged in some form of social medicine. So with the introduction of a federal scheme we would simply be extending something already in existence in that province. I think members of the medical profession agree that some form of medical health insurance is necessary. As a matter of fact, already our doctors are engaging voluntarily in the clinic form of medicine. In Saskatchewan the trend among the members of the medical profession is to practise in partnerships and groups. The figures show that 205, or 43 per cent of the 479 general practitioners and specialists are engaged in this type of practice.

An examination of the distribution according to age groups reveals that in age groups below 40 physicians practising in groups or partnerships outnumber those practising alone by a ratio of four to three. The converse is true of age groups from 40 to 49 years and from 50 to 59 years. Of the 86 general practitioners and specialists over 60, 65 are practising alone.

In other words today the doctors themselves are voluntarily forming clinics to work

at their profession. The day of the individual practitioner is over in Canada; and by instituting some over-all form of health insurance we will only be continuing something that is already growing in Canada.

The attitude of the Progressive Conservative party in this matter is expressed quite clearly in its amendment to the address in reply to the speech from the throne. Paragraph (d) of that amendment offered by the Leader of the Opposition (Mr. Drew) says this:

(d) To conduct inquiries in consultation with the provincial governments, so that necessary information may be available for the dominion and provincial governments to consider jointly a national health insurance program.

Well, evidence was placed before the house by the hon. member for York South (Mr. Noseworthy) indicating that there have been some 30 general surveys and reports in the last ten years. Today the hon. member for Regina City tabled the reports of five provinces and their surveys with respect to health insurance. Surely we do not need another one at this time. Surely we have reached the point where, over the years, we have built up a sense of the need for some further medical health care, to the point where we are prepared to take the necessary steps forward at this time.

That is why we in the C.C.F. offered our amendment to the amendment. Moved by the hon. member for Rosetown-Biggar (Mr. Coldwell), it stated that we should recommend legislation at this session establishing a nation-wide health insurance program, with provision for provincial administration. I believe that is the position taken by the great majority of people in this country. The government has received the annual reports of the various labour organizations, including the A.F. of L., the C.I.O. and the Catholic Confederation of Labour. In nearly all these annual reports the recommendation is made that an over-all medical health scheme for Canada be instituted.

The Canadian Federation of Agriculture, women's institutes and farm unions—practically every organization in Canada, in making its report to our government, has asked for health insurance. A Gallup poll indicated that 75 per cent of our people are in favour of a national health insurance program. Surely this should be an indication to the government as to the position taken by people across this country.

In the C.C.F. all we are doing is trying to voice the will of the people in respect of a federal health service. I am sure if the Liberal party is to meet the needs of the people it must do more at this session than simply take another step, or extend steps already taken. It is true that health grants to the provinces have assisted. It is also true that the hospital grants now given are not sufficient. As a matter of fact the $1,000 per bed given by the dominion government, and supplemented in an equal amount by the various provincial governments, represents today only the increased cost of building hospitals in Canada since the time the grant was first given in 1948. There has been a tremendous increase in costs, and the grants only meet that increase; in fact, I do not think they do meet the whole of it. Municipalities are still burdened with the major cost of hospital construction.

I think that in the matter of hospital construction the municipalities must accept a share of the responsibility. In my view the building and the administration of hospitals throughout the country should remain under municipal control, because the closer one gets to the people in the administration of local services the more economically they are likely to be operated.

That has been the object of the health scheme in Saskatchewan. The province has tried to assist the municipalities in building these facilities. The moment some of these services are made available to the people you create the desire or the will to build the facilities to meet those services. It was the general hospitalization scheme introduced in Saskatchewan that caused the municipalities to begin a hospital building program. When the people in the province found that these services were to be made available to them, immediately they put pressure on their municipal governments to create the facilities, so they might use the hospitalization scheme then introduced.

The same thing would take place right across Canada. If we passed a national health scheme for the Dominion of Canada we would find a desire created, even in those provinces which may today be below the average in hospital beds available to their population, that would force municipalities to build the necessary facilities to make the act effective. That is why we in the C.C.F. believe we should make a real step forward in health insurance at this session of parliament.

I should now like to refer to another matter which is included in the speech from the throne. The Prime Minister (Mr. St. Laurent) and the Minister of Finance (Mr. Abbott) are now in Great Britain at the commonwealth conference on trade relations. We do not know what the outcome of that conference may be. We do not know what recommendations may come out of it. One press report states that the matter of the revaluation of gold is under consideration and that the

question of exchange rates may be taken up. I am sure every member of the house is anxious that out of this conference shall come better trade relations not only within the commonwealth but throughout the free areas of the world. It seems to me if that is to be accomplished there are certain basic things which we must take into consideration.

We in Canada and on the North American continent are in a very fortunate position. During the last war Canada was able to build up many of its productive facilities. We were able to increase the plant capacity of the country for manufacturing. We were able to increase our production of various raw materials. After the war we found ourselves in a much better position as far as trade was concerned than before the war started. Just the opposite was the case in Europe and in Great Britain. On the continent particularly they found that many of their factories had been destroyed. In England some of their factories were destroyed, and others became obsolete through almost continuous use in the production of war materials.

Let us see how we increased the value of our plant capacity in Canada. I am going to use the Aluminum Company of Canada as an example. During the war the capital of that company expanded by over $100 million. That plant was paid for out of the price which we obtained for aluminum. One of the greatest buyers of aluminum was Great Britain. In other words Great Britain, through her purchases of aluminum in Canada, made a very large investment in the expansion of that plant and the production of aluminum in this country, while at the same time much of her plant and equipment was becoming obsolete.

That can be carried into practically every field of manufacture. Our allies during the war, through the price they paid Canada for much of the equipment and material they needed, and which they used in bringing of the war to a successful conclusion, brought about the expansion of our plant and equipment. We find now when the war is over that we have expanded our plant and equipment in Canada while the markets for much of the goods supplied at one time by Great Britain have been lost to her. Her investments in this country were dissipated during the war or were used at that time for the purchase of raw materials and goods from this country. Now we are finding that we cannot trade with Great Britain, we cannot sell our farm products to Great Britain.

You know, it seems there is something wrong when we in this country have an abundance of feed grain and all the facilities to produce bacon in large quantities, yet in Great Britain the people are on a ration of two or three ounces of bacon a week. Are we genuine in our relationships with our NATO partners when we say to some of the European countries and Great Britain, for instance, as some people in this country do—I am very glad to say there are not many members of parliament in this class—that they should reduce their standard of living even further? These people say that Great Britain should do this so she may take her place alongside us in the production of the necessary materials to secure our protection and theirs against aggression in the world.

It seems to me that we have to reciprocate. We have to do something which Great Britain did in the early years of Canada's development. In those years Great Britain invested a lot of money in Canada in our railroads, in our early manufacturing plants and other enterprises that brought about the development of the country. Surely now in the hour of Great Britain's need, after she has dissipated her resources in two great wars, we should be prepared to reciprocate and try to build up in Great Britain and other NATO countries some of the plant and equipment which they used lavishly for our protection during the last war.

How can we do that? I think the proposals made by the hon. member for Rosetown-Biggar should be given serious consideration. If we want to sell our agricultural products to Great Britain there is only one way in which Great Britain can pay for them, and that is in goods or services. She cannot produce these goods and services with her present plant and equipment. Therefore it seems to me that the wise thing for us to do would be to accept sterling for some of the goods and services we can supply to her. Let us sell her bacon, sell her apples, sell her cheese, accept sterling and invest that sterling in plant and equipment in Great Britain to assist in improving her ability to produce more goods and services so that later she can pay us for the products we produce in Canada.

I do not think that we can solve our trade problems by manipulating the price of gold or manipulating exchanges. The price of gold and the manipulation of exchanges simply are a barometer indicating what has taken place in trade. It may be a balance wheel to a certain extent, but the only true balance wheel in trade is the trading of goods for goods; and until the countries with which we are dealing are able to produce the goods we need at a price at which we are prepared to accept them, then trade will be a one-way street and will die. I agree with

much of what the hon. member for Charlotte (Mr. Stuart) said the other day. We have to take down some of the barriers this country has erected against trade. We have to try to make trade a two-way street. We have to invest in some of these countries with which we want to trade so they can produce goods and services to pay for the things we have to sell to them. It does not make sense to see an agricultural policy being followed in this country which would restrict our production of agricultural products to what we can consume in this country when there are other countries engaged with us in a common defence program under NATO that have a standard of living which is much below ours.

This matter of exchange is rather a mystery to a lot of people. It seems an anomaly that today, through the manipulation of our exchange—I do not like the use of the word "manipulation", but through the fluctuations of our exchange—we, as western wheat producers, should be receiving about 20 cents a bushel, I believe—and it was 25 or 26 cents a bushel some three or four weeks ago—less than we were receiving six months ago when our Canadian dollar was 10 cents under the United States dollar. Under the international wheat agreement the last quotation I saw was $1.76. That price was $1.98 some six months ago. It has been as low as $1.72.

We are receiving less, yet the British are paying more for that grain than they were paying previously, just because the price paid by the British was fixed on the basis of the United States dollar. Usually when the producer receives less for a product one naturally assumes the consumer is paying less for it. That is the whole basis for fluctuations in price. When the producer receives less the consumer pays less, and because of the lesser price he is paying he consumes a bit more and you get an adjustment in price; but that is not what is taking place today. We are getting less and the British are paying the same for their purchases of our wheat. Not only that, the millers in Canada are paying less for the wheat because of the increase in the value of our Canadian dollar. They purchase the wheat at the international wheat agreement price. Some six months ago they were paying $1.98 plus regular carrying and diversion charges. Today they are paying the international wheat agreement price of $1.76; but are consumers in this country getting flour any cheaper as a result of that? Not at all. The price of flour has remained the same even though the price of wheat to millers has dropped by as much as 25 cents a bushel. Somebody must be making a greater profit out of the milling of wheat than they were before.

Notwithstanding all this the Minister of Trade and Commerce (Mr. Howe) indicated to this house, and to the committee on agriculture, that he was pretty adamant in his position on wheat, that the domestic price for wheat should be the same as the international wheat agreement price. Surely he cannot argue today, with the millers buying the wheat at from 20 to 25 cents less because of the fluctuations in the exchange rates, that it is a position that we in Canada should be in now. Surely there is no reason, just because there was a rise in the value of the Canadian dollar, for the millers of this country to be able to purchase wheat cheaper by 20 to 26 cents. If they do, then certainly that cheaper wheat should be reflected in cheaper flour to the consumers of this country, and that has not been the case to date.

The primary producers of this country are taking a tremendous loss today because of the fluctuations in the exchange rates. Estimates have been made by various authorities. I have here an editorial in the *Western Producer* which indicates that the loss this year to the western grain producers may amount to as much as $150 million. That is a serious loss. They state here:

> It is possible that Mr. Abbott is not fully cognizant of the enormous penalty paid by prairie wheat growers as a result of the exchange situation. It is costing them a full 25 cents per bushel when compared with the rate prevailing at the time the wheat agreement was negotiated. That will amount to something like $150 million on the grain going to market this year. It will cost a farmer $250 on every 1,000 bushels of wheat. The farmer who harvests 10,000 bushels of wheat is nicked to the tune of $2,500.

The Minister of Finance (Mr. Abbott) may think that is all right, that the western wheat producers should have $150 million less to spend on goods and services this year, but there will not be the same demand for those goods and services. They will not buy as many refrigerators or as much new machinery as they might have had they received this additional purchasing power. It enables the government to keep down the cost of living in this country, but surely the primary producers—and the pulp and paper and lumber people are in the same position as the western farmers—should not be asked to subsidize the lowering of the cost of living in this country. That is what is taking place with the present exchange fluctuations.

It is all very well to say that it is fine for our Canadian dollar to be at a premium over the United States dollar, but some

people are paying a pretty high price for that fact, and they are the primary producers, the wheat producers in western Canada.

We all agree that we should have an international wheat agreement. I think 95 per cent of the wheat producers in western Canada are behind the wheat board and the government in trying to negotiate another wheat agreement. What we do object to in western Canada is that when we have negotiated these long-term agreements the government should then change the conditions under which we as producers have to fulfil them. That has happened twice now. When we entered into the British contract in 1947 there was a price ceiling on most of the things which went into the cost of production in this country. Immediately after we made that agreement the government took off the price ceilings in this country with the result that the producers, whose product had been sold at a fixed price for three years and at a negotiated price in the last year, saw their cost of production go up by from 25 to 50 per cent. As a result that agreement, which had been a good agreement as far as the wheat producers were concerned when it was entered into, became not nearly so good, because conditions over which the government had control changed. Now the same thing is taking place with regard to the international wheat agreement.

When we entered into the international wheat agreement the price was fixed on the basis of the United States dollar, and during much of that contract as a result of the price being fixed on the basis of the United States dollar, we were getting for our wheat $1.98 plus carrying charges. The government then, on the advice of the Conservative party, did away with the foreign exchange control board and freed the Canadian dollar. Immediately that dollar began to rise until it reached $1.04½ as compared with the United States dollar. That resulted at once in a change in the conditions under which wheat growers were producing their product to fulfil the agreement entered into on their behalf. As I said before it meant that they would get 20 to 25 cents a bushel less for their grain, because this government changed the conditions that Canada had control over, thereby reducing the price received by the producers for their product.

That is the surest way by which we can discourage our people or attempt to discourage our people from entering into these agreements. In western Canada we certainly believe in these long-term agreements and we believe that the government, in negotiating them, should take the advice of some of the officials of our various organizations in western Canada. I have in my hand a copy of an address given by J. H. Wesson at the annual meeting of the Saskatchewan wheat pool. I believe that in a couple of sentences he sums up the position of the producers of western Canada very effectively. He states:

> I think we should concern ourselves with this one point, and I hope you raise this in the country, What are we likely to get in prices if we don't have an agreement? That should be our concern.

He continues later:

> In other words the whole principle of international agreement, that we debated over 22 years ago, was that we wanted prices fair to the producer and fair to the consumer alike, and we wanted to get away from this so-called three-dollar wheat and the next year 40-cent wheat. So I want to repeat we can't expect to get peak prices under an international wheat agreement, but we don't face those cellar prices of 38 and 40 cents as we did in the black thirties. I think the most important thing that our people should consider today is not how much we could get in a ceiling price, as how high we can get the floor price for our own protection for the future of the next four years.

I think that sums up pretty well the attitude of the western wheat producer. I hope that in negotiating another wheat contract our government will take this into consideration.

For just a few minutes I want to deal with the question of transportation facilities. We are going to have quite a problem in getting our crop to market this year. I feel that the wheat board and the transportation companies did a reasonably good job in moving our crop last year. In western Canada we have had two years in which our crop was out of condition, in which a large percentage of it was in the lower grades and a large percentage was tough and damp. These crops have been moved to market without any serious loss. I believe the wheat board and the various authorities who have had charge of the movement of those crops have done a reasonable job. It is true that there have been certain localities in which conditions have existed which should not have existed. Some localities were able to get their crop to market quicker than other areas. But taken as a whole there has been a reasonable attempt made to move our crop to market in an orderly manner.

This year we are going to face problems as great or greater. It is going to take all the facilities we have available to market our crop before the next crop year. One of our facilities which I believe should be extended at this time is the port of Churchill. We have there a government elevator which has approximately a 2·5 million bushel capacity.

This year we have moved through that port the largest amount of grain that has been moved to date, about 8¼ million bushels. Anyone who knows anything about the movement of grain knows the problem there is when you move 8¼ million bushels of grain during the short period that port is open, and with an elevator capacity of approximately 2·5 million bushels. In other words there is about 2 million bushels capacity available there, and the space for the other half million bushels has to be used for working space.

If we are to increase the deliveries through that port, as I believe we should, then action should be taken. By delivering grain through that port we can deliver a much greater amount with the same number of box cars than we could if those box cars were used to bring grain to Port Arthur and Fort William, and the amount would be even greater if those box cars must be used to bring grain to eastern Canada. The On-to-the-Bay Association in western Canada is an active body. They have made certain recommendations to the government upon which I believe the government should take action.

They suggest first that the elevator capacity at Churchill should be doubled before the opening of the 1953 season. In answer to a question the other day the Minister of Trade and Commerce (Mr. Howe) indicated that this matter would be given consideration. I hope that consideration is going to be given in sufficient time to enable us to handle more of our grain through that port in the 1953 season.

The second recommendation reads:

In view of increase in overseas and coastal trade, enlargement of dock and equipment to allow berthing and loading two more ships, making berth space for five boats.

3. Essential that an effective ice patrol by air be organized out of Churchill by plane or helicopter effective mid July until late August with assurance that all information and advice be given ships before they approach and leave Churchill.

4. All season effective air patrol of the straits.

The Acting Speaker (Mr. Robinson): Order. I am extremely sorry to interrupt the hon. member, but I have to advise him that his time has expired.

Mr. Wright: Mr. Speaker, I have just a few more of the proposals made by this organization to read. If I could have the unanimous consent of the house, I would do so.

The Acting Speaker (Mr. Robinson): Has the hon. member unanimous consent to proceed?

Mr. Ferrie: I object.

Mr. Wright: As the hon. member for Mackenzie (Mr. Ferrie) has objected to my putting on the record the recommendations of this organization—

Mr. Ferrie: You would not let me, so I will not let anyone else.

Mr. Wright: —I shall use another opportunity to put them on the record.

(Translation):

Mr. Andre Gauthier (Lake St. John): Mr. Speaker, may I at the outset offer my sincere congratulations to the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne, for the able way in which they fulfilled the task entrusted to them. Their speeches show without the shadow of a doubt that the electors of Brome-Missisquoi and of Waterloo North have every reason to be proud of the members they recently chose to represent them.

Before beginning my remarks, I would like to mention some incidents that occurred during the past year about which the people of Lake St. John have reason to be proud.

First, last February, their member had the honour of being chosen as seconder of the address in reply to the speech from the throne. I then had the pleasure of telling the house of the beauty, the wealth and the prodigious development of that part of our country.

Later, in June to be exact, with the encouragement and co-operation of my colleagues from Charlevoix (Mr. Maltais) and from Nicolet-Yamaska (Mr. Boisvert), I was able to demonstrate on the spot to a group of 65 members and their wives how well-founded were the statements I had made in my speech on the address in reply to the speech from the throne. This trip, I am sure, was much appreciated and has been for quite a few a true revelation. The sentiment of pride, felt by the people of my constituency and the people of the whole Saguenay district, was unsurpassed except for the honour and the pleasure they had in welcoming such a delegation of distinguished and keenly interested people.

Visits like these are surely enough to revive our pride in being Canadians and to strengthen our desire for national unity.

Finally, we had the honour, during the month of August, to welcome the Prime Minister (Mr. St. Laurent). He was able to appreciate for himself the immense indus-

trial possibilities of a district newly opened but still full of promise. We are thankful to Right Hon. Mr. St. Laurent for the interest he takes in every part of our immense country; the prosperity enjoyed in this "kingdom" of the Saguenay is not peculiar to this part of Canada, for it spreads all over the country.

Mr. Speaker, like every other member of this house and every other Canadian, I was proud and happy to learn of the elevation by our holy father the Pope of His Excellency Archbishop Leger to the exalted rank of cardinal. The people from the constituency of Lake St. John extend to him their most heartfelt congratulations, assure him of their filial submission and respectful good wishes.

Last week, in this house, we heard some severe criticism levelled at the Canadian Broadcasting Corporation. The hon. member for Joliette-L'Assomption-Montcalm (Mr. Breton), in an excellent speech delivered yesterday, supported the government's action in regard to television. He did so with skill, with convincing arguments. He deserves our congratulations.

I do not intend to deal with this matter in such an exhaustive way. Still I would like to express my own opinion. The Liberal party has always championed Canadian unity and, for the past 25 years, and especially under its present leader has attempted to bring into play all those factors favourable to the development of a true Canadian spirit and of an attitude worthy of a sovereign nation mindful of the duties which it is called upon to discharge.

Radio broadcasting goes back to 1919, but each station has been operated first and foremost for the income which such and such program could produce; unfortunately, there was no organized body capable of guiding radio activities in the interest of Canadian listeners and in that of Canada as a nation.

In 1929, the government which was then headed by the Right Hon. Mr. Mackenzie King, in a foresighted gesture, instituted a royal commission of inquiry presided over by Sir John Aird. Insisting on the fact that radio broadcasting was a responsible public institution and that it is an excellent means of popular education, that commission, even if it recognized the laudable efforts of private stations, made recommendations which were eventually to bring about a system which was to become one of the greatest factors of national unity and better understanding between the different racial groups of this country.

[Mr. Gauthier (Lake St. John).]

The opinion claiming that radio broadcasting should serve, first and foremost, to create and maintain a Canadian culture is now firmly established and does not give rise to any discussion. In order to allow for the implementation of such a policy, in order that its application may become a constant practice, it was necessary to have a directing body entrusted with the supervision of foreign broadcasts, with the fostering of programs liable to awaken national interest, in short, with the orientation of broadcasting to programs of Canadian inspiration, more in keeping with our national mentality.

I am not suggesting that it was necessary to give this body the name of C.B.C. or Canadian Broadcasting Corporation or any other name but I declare that even if it were to exist outside the national network, it would be necessary to grant the latter privileges and advantages which would allow it to attain the objective for which it was created.

What is true of radio is even more so of television. The present government cannot repeat the mistake committed in the early days of radio. I for one would not want to see a menace of cultural annexation by the Americans threaten once again the present generation. Has it not been said before the Massey commission on national development in arts, letters and sciences, by a representative of a private station that the best way to raise the cultural level in Canada would be to take full advantage of the culture which has progressed most rapidly, that of the United States.

Do you not believe, Mr. Speaker, that the conscious or unconscious tendency towards the acquisition of American culture greatly endangers the future of our young nation, such a tendency being moreover favoured by economic factors, inasmuch as private broadcasting stations are considered. From a strictly commercial point of view, it is easy to see that a private station owner would be strongly tempted to import films or to pipe in programs produced by American stations more cheaply than in Canada.

For that reason, I favour the present policy of the government in respect to television. It is advisable that the Canadian Broadcasting Corporation be the first to guide television and produce programs of Canadian inspiration.

I do not pretend that the C.B.C. is a perfect institution: it has made errors and it will likely make others. Together with the members of the Massey-Lévesque commission, I believe that some of the gaps can be filled in. As an example of that, I give the following conclusion put forward by the royal commission:

That persons engaged in radio broadcasting in Canada directly and adversely affected by a final decision of the board of governors of the Canadian Broadcasting Corporation on any matter in which this board has final authority be granted the right of appeal to a federal court against substantial miscarriage of justice.

Although there might be room for improvement as far as the status of the C.B.C. is concerned or for the amendment of some of its regulations, I cannot accept the conclusions of the hon. member for Labelle (Mr. Courtemanche) who says, at page 76 of *Hansard:*

Neither do I hesitate to accept the conclusions of Basil Dean, whose texts published in the Calgary *Herald* have been translated into French and published in pamphlet form under the title "Freedom of the Airwaves" In so far as television is concerned, his conclusions are as follows: Television in Canada, he writes, will have to be submitted to some sort of control—of course—but not to that of the C.B.C. It should be the same kind of control that is asked for radio—a purely technical control. That control should be exercised by an independent commission, similar to the board of transport commissioners; that commission should assign the radio frequencies and television wave-lengths. That is, after all, the only formal control that should exist.

The hon. member says that he accepts the conclusions of Basil Dean; it means, in other words, that he would be favourable to a purely technical control the sole purpose of which would be to assign television wavelengths. It is truly impossible for me to support such policy.

Mr. Speaker, we from Quebec have particular reasons to resist the threat of American cultural assimilation. We have a profound devotion to our language, our religion and our traditions—in a word, to our French culture.

The present policy of this government is favourable to the growth of a distinctive Canadian culture, as well as to the maintenance of French culture, which is an absolutely essential element in the existence of this Canadian nation of ours.

Certainly, sooner or later, private enterprise will have a hand in television, but the latter will have, meanwhile, learned to serve the national interest.

It will be pointed out to us that censorship may play a truly useful part in the cleaning up of television broadcasts. I agree. I might add in passing, too, that censorship belongs to the provincial field and must be applied by provincial governments. Still, by its very nature, censorship exerts a purely passive or negative action, in that it prevents the spread of what may be more particularly injurious to the morals and education of our youth. It can never replace with any efficiency a state-supported body whose mission is to foster and maintain the growth of Canadian unity, of a true Canadianism. In short, we must have a positive and constructive television policy. There is the whole difference, Mr. Speaker, between the policy put forward by the Progressive Conservative party and that expounded by the Liberal party.

The former favours a policy of abstention, a purely negative or passive one, whereas the latter demonstrates in this connection, as in others, foresight, realism and patriotism.

(Text):

Mr. Robert Fair (Battle River): Mr. Speaker, in rising to take part in the debate this afternoon I feel that we are coming back to finish up some of the jobs we should have done last session, or perhaps two or three sessions ago. I refer now to the War Veterans Allowance Act.

It will be remembered that for some time we on the opposition side have tried to have something done about that, and the Minister of Veterans Affairs (Mr. Lapointe) was good enough to set up a committee at the last session and make certain changes. Until that time a single veteran was getting an allowance of $40 a month and a married veteran $70 a month. Many of us who had been out around the country did not feel, and still do not feel that that is sufficient for those veterans. Recommendations were made that this be increased from $40 to $60 and from $70 to $120; but when the bill was brought in provision was made to increase the allowance for the single veteran to $50 a month, and for the married veteran to $90 a month.

I have not heard any veterans' organization, or any veterans, say they are satisfied with that amount. We must remember that since 1939 the value of our dollar has dropped to 50 cents. I think everybody will agree that no veteran can exist on that allowance. Many of them are suffering from very poor health. In my opinion, instead of putting them off with $50 and $90 they should have preferred treatment, because they are the men who, some years ago, went overseas and offered everything they had, namely their lives, in order that Canada should be free. Had this not been done many of us would not be able to sit here in comfort in this house today and discuss this and many other matters.

On many occasions in the past I have referred to a statement made by Sir Robert Borden, who was at that time prime minister of Canada. I am going to bring the matter a little more up to date with another statement by the late prime minister, William Lyon Mackenzie King. This is taken from

Hansard of February 24, 1930, at page 44, and has to do with the veterans' problem. Mr. King had this to say:

> May I say that after giving a great deal of time and careful thought and study to this question, the government has come to the conclusion that the existing legislation is not adequate. In particular it has been borne in upon us that there are a large number of returned men who, while not suffering from any disability immediately traceable to some particular happening, are nevertheless finding themselves breaking down through causes more or less unknown. In other words, they are experiencing after a number of years what I think would be described in medical terms as the effects of deferred reaction. Though they went through the strain of the war, though they suffered mentally and physically as they did in those years, the fact that at the time they were strong and in good health led to nothing being immediately visible as a consequence of the strain they had been called upon to endure. As the years have gone by however, and the system has weakened from other causes, the strain of past years has begun to tell and many men are breaking down today apparently for no other reason than that of the strain of the war period.

That is the opinion of a man who was for a long time the leader of the government of this country, and I believe he did give that question a lot of study. A great deal of study has also been given the same question by many others, but I think a little more help would be better than continued study. Are we withholding this help because we cannot afford it? I do not think so. At the present time our bins are full of grain. We are wondering how in the world we are going to get rid of it all; yet these veterans, who as I said before went over to defend Canada, are not getting the assistance to which they are properly entitled. Only the other day, and since the session commenced, we had the Minister of Finance (Mr. Abbott) tell us that they were going to provide additional subsidies for gold mines. It would be much more appropriate if some of this assistance were made available so that our veterans could get better treatment.

There is another group of people I have been speaking about for the past few years, and thinking about in fact for much longer than that but holding back to some extent because of the survey that has been going on for the past number of years. I refer to the incapacitated. Each time we asked about them we were told that a survey was under way. I believe the survey is finished in most provinces at the present time, and I should like to know what action is now going to be taken. We know that many people who are in the very best of health are having difficulties, in some instances, through no fault of their own, in making a living. Then when we go about the streets and go into the homes and find people in wheel chairs or in bed and not able to take care of themselves we wonder why the country cannot do something about it, particularly when the relatives, the parents, perhaps the brothers and sisters of these people are not able to help them without suffering themselves. When that pension is brought in, as I hope it will be during this session, I should like to see it enacted without a means test.

In connection with the people about whom I spoke a few moments ago, namely the veterans, while the legislation brought in at the last session did help to some extent, one change was made that I believe is not in keeping with our ability to provide further help. These people, single and married, cannot have outside earnings of more than $120 a year or $10 a month without having their war veterans allowance cut down. That is very poor business. While we have had a lot to say about health insurance at the present time, I think that giving these people an opportunity to get out and do a little work, if they are in physical shape to do it, would be one method of helping them attain better health. So, increase the allowable earnings.

I was glad to hear the Minister of Agriculture (Mr. Gardiner) announce the other day that the cattle embargo to the United States will be lifted on March 1. I am sure that will be welcome news to many of the cattle producers; and not only to them, because what is good for them is also good for the rest of the country. I hope that some suitable arrangements can be made so that those who have held cattle off the market will not lose on account of that embargo, and that full use will be made of the floor prices for beef until this problem has been brought down to normal again.

Many of our cattlemen have suffered much in dollars and in worry through no fault of their own and through no fault of the government, as far as foot-and-mouth disease is concerned. We blame them for a lot of other things, but they are not to blame for that particular calamity.

In connection with the question of pork I, like many others, was sorry to learn that the price will be down to 23 cents a pound after January 1. Today we have many people producing hogs, and when they find that the price at which they can sell is uneconomical they will naturally go out of business. Perhaps the result will be that some of those people who are protesting against the payment of subsidies or floor prices will find that because of the lower production of pork they will have to pay a much higher price because pork will not be produced. I know that at the present time we have plenty of pork to supply our market; but I am not satisfied that our market should be confined to Canada.

Only a couple of months ago I noticed that a considerable portion of it had been taken over by Denmark, something I was sorry to see. According to a newspaper item it appears that Great Britain has agreed to take at least 90 per cent of the exports from that country, and at substantial prices. More recently I noticed that Holland had made a short-term agreement along similar lines.

I believe that if some of our trade restrictions were removed, particularly those affecting our currencies, we would have kept much of that market, and the condition would be improved for people in other countries as well. I believe the government is making some attempt to remove some of the restrictions. We know the Prime Minister (Mr. St. Laurent) and the Minister of Finance (Mr. Abbott) are in London at the present time. The stand they should take was made abundantly clear in the house before they left. They went to London with good intentions and, had they been able in a Liberal party of around 180 members to find another man able to assume the duties of deputy prime minister, perhaps our good friend the Minister of Trade and Commerce (Mr. Howe) would have gone along, too. He seems to be the dealer in the family; and while he does not always make the best deals, the fact remains that he does make them.

A recent issue of the Ottawa *Citizen* indicates that the Minister of Trade and Commerce was in New York recently and spoke to the United States foreign trade council. The newspaper article contains some comment on his trip. He told them that—

> —trade barriers have multipled in some countries at an alarming rate. But there are signs that countries with import controls now are more receptive to the idea of getting rid of them.
>
> "How general that attitude has become, I do not know," said Mr. Howe, "but it has been in evidence in some very important quarters and it is certainly a most significant and welcome sign."
>
> Some of the sterling area countries were trying to learn the precise and true causes of its dollar shortage, but, said Mr. Howe, the free world could not afford to postpone reduction of restrictions until this was done.

I am glad the Minister of Trade and Commerce is catching on to some of the things that are wrong.

> Import restrictions, imposed for temporary purposes, had a way of becoming permanent. Quantitative controls on imports, imposed to halt a drain on dollar exchange, made a permanent cure for the dollar problem more difficult. The responsibility for removing the controls rested with countries which had imposed them. But he doubted whether they would be removed "without the encouragement and co-operation of our two countries and particularly the United States."
>
> The time was ripe for a new attack on the world's trade restrictions, said Mr. Howe. He was confident that a world in which non-restrictive trade policies predominated could be re-established. But there was one "great essential"—a need for "close and tenacious co-operation by all the free nations—a resolute will to work together."

I hope the Minister of Trade and Commerce and his colleagues will work together to bring about the condition this article indicates. I believe the Canadian farmers could produce much more, both for the benefit of themselves and the country as a whole, and to relieve starving nations overseas. The farmers feel, however, that if they do not have some assurance of a market there is not much use in producing grain and livestock. Our experience in the past has been that unless we have some contracts, some method of getting rid of our products after they are produced, the farmer must take the rap in the form of lower prices. Certainly he derives no benefit from lower prices, because such prices do not apply to the same extent in respect of the articles he must use in order to produce.

Trade restrictions should be removed. I was glad to hear the hon. member for Charlotte (Mr. Stuart) early in this session, and on another occasion last session, set out some of the things that are happening in respect of prices in this country as compared with those in the country immediately south of us. Many of us who travel through the United States on our way to the west have purchased goods of different kinds in that country. Many times we are able to get them at no more than half the price we must pay on this side of the border.

We have the raw material in this country, and I do not think we are paying as high wages as are paid in the United States. Yet, because of the protection in different forms given to our manufacturers, our consumers are compelled on many occasions to pay 150 per cent of the amount that should be paid. As examples one thinks immediately of automobiles, tires, shoes, clothing and many other commodities. Especially is this true of electrical goods.

I was pleased to note that a little less than a year ago the government did introduce a bill to remedy this condition. While that legislation kept us here in Ottawa almost until Christmas day, and made it necessary to resume after Christmas, the bill was passed, and I believe it had much to do with cutting down the prices of goods. People are receiving as much as $150 trade-in allowance for some item of little value from the kitchen when purchasing a refrigerator, a stove, a washing machine or something of that nature.

For a few moments I should like to discuss the wheat situation. Before doing so, however, personally and on behalf of the people I represent I should like to compliment

the chief commissioner and his associates in the Canadian wheat board. While they are continuously being sniped at by the Winnipeg grain exchange and their friends, it is my belief that the men in the wheat board have done a first-class job. The final payments announced a short time ago have made many of our farmers happy. In its restricted form the wheat board has done an excellent job; and when the Minister of Trade and Commerce makes his next trip to Washington I hope he will not permit himself to be tied down to the prices to which we have been subjected in the past.

The crops in 1950 and 1951 were two of the most difficult to handle. Despite out-of-condition and low-grade grain, the wheat board has done a job satisfactory to all, so far as I am aware. I hope they will continue in office and to do good work, even though some may wish to get rid of them. They are the farmers' salvation.

I should like now to discuss the international wheat agreement. In common with other hon. members who have already spoken, I would like to have a new one. I am not convinced that the terms of the present agreement are satisfactory or in the interests of our producers. The price ceiling is $1.80 per bushel in United States funds. For some months this gave the farmers an advantage whereby they received $1.98 per bushel for their top-grade grain, basis Fort William-Port Arthur-Vancouver. But, because of the fiddling around with our dollar and gold and other things connected with the monetary system, we find that at one time our Canadian dollar was at a premium of 5 per cent over the United States dollar. As a result there have been quotations for wheat under the international wheat agreement as low as $1.72 a bushel instead of the price of $1.98. This means a drop of 26 cents per bushel, and those on the sidelines do not see any reason whatever for that difference in price. When the present international wheat agreement was being negotiated we did not vote against it. We thought an international agreement was a good thing but, as I stated before, we were not satisfied with the terms. When we have a definite ceiling price on the grain that we are to sell over the four-year period without having any ceiling whatever on the costs of production, then I think we are stepping into very dangerous territory.

That was pointed out very clearly to the government by those in this group, and the hon. member for Acadia (Mr. Quelch) made a suggestion one day that there should be a fluctuating price for our grain. In other words the price of our grain should be tied to the price of goods in the importing countries, and if the price of goods in those countries went up then the price of our wheat would go up. If the price of goods in the importing countries went down then the price of wheat should go down correspondingly. By that method we would have the opportunity to bring back the same quantity of the other fellow's goods regardless of high or low price.

But the Minister of Trade and Commerce (Mr. Howe) did not feel that it was possible to get figures upon which to base a deal of that kind. The hon. member for Acadia of course came back and told him that the international monetary fund had all these figures available and had had them for months past. But even with that information in the possession of the minister nothing whatever was done. As a result of the set-up hundreds of millions of bushels of wheat have been sold under the agreement at as much as 50 cents a bushel below the price of class II wheat, which is the wheat sold by the wheat board to countries other than those covered by the international wheat agreement.

I hope this pitfall will be avoided when the next international wheat agreement is negotiated. I understand the meeting is to be held in Washington on January 12, although some press reports state that an attempt is being made to delay the conference until after the new president takes office on January 20. We shall be quite satisfied to wait until after that date provided we can get a deal that is worth while. As I stated before, I should like the Minister of Trade and Commerce to go there in the same spirit evidenced in statements he has made during past weeks, when he has said that we are not going to be too easily satisfied. I believe an international wheat agreement is a good thing, but we must not sacrifice price and other things for the sake of getting such an agreement. The wheat board is doing a good job, and if we cannot get satisfactory terms under such an agreement then I believe the wheat board is also capable of doing this job.

Another matter that has been giving many people a lot of trouble is the question of supplying wheat to Canadian millers for consumption within Canada at the international wheat agreement price. That is a definite steal from the wheat growers of Canada because they get nothing whatever, not a single solitary cent, in return for that. On one occasion the Minister of Trade and Commerce said that he would not agree to the Canadian taxpayer subsidizing the wheat growers in order that the class II price might be paid them. There is no subsidy whatever connected with the matter and the people who

grow wheat and who take a reduced price, sometimes to the extent of 50 cents a bushel, are well aware of that fact. That is a part of the program.

In order to bring down the cost of producing wheat to some extent I would suggest, as I have on two or three other occasions, that an investigation be made into the cost of farm implements. We have examples of prices for farm machinery that are entirely unjustifiable. Cars and trucks are also used in connection with the production of grain, and I would suggest that something be done to find out why the prices of such items are so high compared with prices across the line. That is one way that we might help our producers to cut down the cost of production.

In order to make things better for our national safety, I would again urge the government to take into consideration the early construction of a highway from Winnipeg to the coast over the Yellowhead pass route. There is provision made for a highway in the southern part of western Canada, but Canada is a big country and its defence seems to be one of our worst headaches. We are contributing more than $2 billion a year toward the preparations. I think some of that money could well be spent in the building of a highway from Winnipeg through Saskatoon, my own home town of Vermilion, Edmonton, and on through the Yellowhead pass to Vancouver.

There is another item that has been talked about quite a lot, and on a few occasions I have mentioned it myself. I refer to taxation. We feel we have far too many taxes, far more than are necessary for the purposes for which they are levied. On this occasion, however, I want to deal with the problem of a particular case of taxation involving a farmer and his wife. Last session on July 4, the day we adjourned, I took up this matter, and before that I wrote the Minister of National Revenue (Mr. McCann) about it. I had very nice letters from him. He was most courteous, but I believe that somebody in his department is making wrong decisions because I know that the minister would not be guilty of making the decision which was made in the particular case with which I am going to deal for the next five minutes or so.

This case concerns a man and his wife. I believe they were married away back in 1914. At that time the wife would be about 20 and, as far as I can figure it out, her husband would be about 29. I remember that I got married once too, and I was about the same age as this man and my wife was about the same age as the lady involved. I can remember the enthusiasm with which we entered into the farming experience. In the particular case to which I am referring the lady concerned, either by using her own earnings or perhaps as a gift from her folks, was in possession of one cow and one heifer when she was married. They struggled along. They were living in a semi-dry part of the country, and even farmers living in the best part of the country have had quite a struggle all through the years from that time until now.

As I said, in 1914 this lady on her own account had one cow and one heifer. That makes two animals. In 1915, because it takes only nine months for an increase of one calf, there would be four head of cattle. In 1916 there would be six head in the ordinary course of events, and in 1917, provided some of the first calves turned out to be heifers, there would be an even greater increase. Anybody who wishes to do a little arithmetic may work out the problem for themselves. Of course there would have to be a lot of supposition because all calves are not heifers; some of them are bulls. I am bringing out the point at this time to show the nonsense that is sometimes practised in the Department of National Revenue. From 1914 to 1948 is a period of 34 years. With the natural increase of two calves a year, with only two cows being in the production line, we would have a total of 68 head of cattle. I will leave it at that for the time being.

As I stated before, plenty of lean years were experienced because this was a dry district. This lady and her husband worked hard, very hard. I do not know of any group of women in Canada who work as hard and for as long hours as do our farm women. That was particularly true in days gone by. As a result of her start of a herd of cattle she finally built up a nice herd and was able to purchase a half section of land. As time went on they, like a good many other people on the farm, had broken health. In 1948 they sold a part of their basic herd. I say "their" basic herd because I presume this man had some cattle of his own and the two herds grew up together, and naturally they carried on as they should have done. This lady believes there should be a community interest in the case of man and wife.

After selling a part of their basic herd they decided, for the security of the wife, that they would buy an annuity for her. They decided to buy a government annuity, ten years, guaranteeing $100 monthly. That annuity cost them $13,268.76. Looking at it from my point of view I believe the price was a little higher than it should have been. I have not inquired into that as it just caught my eye yesterday.

In 1948 the woman had $1,000 in her bank account and the husband apparently wrote the cheque which paid for the annuity, $13,268.76. The balance of the amount which accrued from sales of livestock, grain, et cetera, was in the husband's name. Over that account the wife had power of attorney. The husband, as I say, wrote the cheque to pay for the annuity for his wife and it must be clearly pointed out that the money they had in the bank and which was used to pay for that annuity was income from their farm operations and livestock. It had been fully assessed and full taxes had been paid to the Department of National Revenue. There is no argument so far. In my opinion the money belonged to them and they could do with it just as they saw fit.

When the annuity was purchased they were advised by the Edmonton office that there would be no tax since the purchase was made from income on which income tax had already been paid. They were advised that there might be tax on the interest portion of the annuity as they received it. In 1951 the husband was assessed gift tax of $1,184.63. That was protested immediately to the Department of National Revenue and an attempt was made to have the annuity cancelled. Of course that did not succeed, because if you buy a government annuity, I understand the money is there and you cannot do anything about it. You wait until it begins to pay and you carry on from there.

This all means that an annuity guaranteeing $100 a month for ten years cost them $13,268.76 plus gift tax of $1,184.63, or a total of $14,453.39. That was the family's own money. Had the wife written a cheque herself on her own account, if she had had $13,000 or $14,000 instead of $1,000, there would have been no attempt made to collect gift tax on the amount.

Should this lady, who is not now in good health, die after ten years she will have collected ten times $1,200 or $12,000. Without saying one word about interest it has already cost them $14,453.39. I believe quite sincerely that this gift tax was wrongly levied, as the wife's profits were lumped together with those of her husband. I point out that this team worked together on their farm. They worked hard, very hard. I know the territory in which they lived, and they had to work hard. In spite of that, because the man wrote the cheque he is assessed this amount of gift tax.

The wife had $1,000 in her own bank account, and I come back again to the herd of cattle that was started back in 1914 with two potential producers, one cow and one heifer. It is estimated by the Department of National Revenue, I believe the Edmonton branch, that the $1,000 she had in the bank would account for the value of the two head of cattle she started with and any increase that should have accrued in the meantime. I think it is time that whoever did that figuring was sent out to a farm to get a little experience on the end of a fork handle or something else.

As I pointed out, from the two head she started with, in the 34 years between 1914 and 1948 there would have been a total herd of 68 head of cattle with only two producing each year. We should also remember that during recent years cattle were a fairly good price. One thousand dollars or even fourteen thousand dollars would not begin to pay for the cattle that would have accumulated on this lady's own property plus the half section of land they purchased.

They protested to the department and could not get anything done. In my opinion, if the clerks in the Department of National Revenue office in Edmonton, and perhaps other centres as well, cannot figure dollars of assessment any better than they figured the offspring of those two head of cattle from 1914 on, then it is time something radical was done. There is an injustice here which the minister investigated after I took the question up last July. He wrote me a very nice letter. Again I say I am not accusing the minister of any of the injustice that has occurred in this case. I have known the minister here since 1935 and I would not for a moment think of attributing anything like that to him; but he is the minister responsible and he must take full responsibility for what is done by his officials in Edmonton and elsewhere.

I notice that the regulation is to the effect that overpayment of tax may be refunded to the taxpayer upon written application therefor if the request is received within twelve months of the overpayment. I am quite satisfied from what I have read that other farmers have found themselves in exactly the same position, and I am bringing the matter to the attention of the house for a second time so this injustice may be rectified. It is the minister's responsibility. This lady's husband, and the lady herself, have been wrongfully cheated out of $1,184.63 and I think it should be taken care of. I know the minister does not want to impose a wrong like that on a Canadian farmer or on anybody else. I believe I have placed their case fairly on the record today. I would ask the minister, in the name of justice, that consideration be given to this case. I understand that these people are now off the farm and are not working it any more. In the interest

of a little harmony and fair play in the country, I would ask the minister to investigate this case and make a refund of the amount I have mentioned. I hope the minister will do that because I know he does not want to be unfair. I have every confidence in him, and I hope this matter will be adjusted.

Mr. Rene N. Jutras (Provencher): In the few minutes I have at my disposal before six o'clock, Mr. Speaker, I should like to refer to one or two matters that concern my constituency more directly. First of all may I extend my congratulations to the mover (Mr. Deslieres) and seconder (Mr. Schneider) of the address in reply to the speech from the throne on the manner in which they both performed their tasks in the house. I should like to add one more word of congratulation to the Secretary of State for External Affairs (Mr. Pearson) upon the very high position to which he has been named in the United Nations. As one who had the privilege and honour of serving under him at the fourth session of the general assembly I fully appreciate the task that he has been given as president of the general assembly. This is a tribute not only to him personally; it is certainly an indication of the high regard in which he is held at the United Nations, as well as a tribute to our country. I am very pleased to be able to extend my congratulations to him.

I want to refer briefly to the P.F.R.A. This afternoon mention has been made of the South Saskatchewan river project. I fully support this project and hope it will come to realization. At the same time, however, I should like to say that the magnitude of this important project that is being undertaken by the P.F.R.A. should not overshadow or relegate to the background the true purpose for which this splendid act was initiated. In the first place, all the people in the west know that this act has done a tremendous amount of good through the small, individual projects which have been carried out. We in the Red river valley are aware of this as well.

As you know, Mr. Speaker, the Red river is known to be very temperamental. A few years ago we were complaining about having far too much water in our district, and this year the opposite is the case. The Red river is very low. Actually there is some fear that if this winter proves to be severe the river might freeze solidly to the bottom, and the water may not be usable at all. However, we are used to that and we have many dugouts which were built under P.F.R.A. Many farmers have more than one of these dugouts to assure a supply of water. This year, because of the dry season, most of these dugouts are almost dry, and we may have a severe shortage of water during the winter.

I believe that the P.F.R.A. could help us, not so much financially but by helping us try to make greater use of the water we have at the present time. As a matter of fact, most of the farmers went to great expense this fall to get pumping equipment and hose by means of which they hoped to pump all the water available in the area into one dugout. On an individual basis this proved a rather costly operation. Possibly the P.F.R.A. could give consideration to renting whatever pumping equipment or hose they have so we could make use of every drop of water that is available in the area.

I want to say a word, too, about the Canadian farm loan board. They have been doing a very good job out west. There is an area in the southeast corner of Manitoba in which I think the Canadian farm loan board could do a great deal more than it has done in the past. I am sure the result of this increased activity would be almost to transform that southeastern corner of the province. The people in that area have been relying almost exclusively on pulpwood to earn their living. The supply is getting shorter all the time, and a great deal of that land is almost ready to be broken up and turned into agricultural production. I prophesy that in a few years you will see grain elevators there, and this will be very productive and high-priced land.

However, at the present time the farmers living there are short of cash. Since these farms have not been developed, the farmers have difficulty in getting credit and that is where I think the farm loan board could be of assistance. By a liberal use of credit this whole section of Manitoba could be transformed into a new and very productive source of foodstuffs for the years to come.

I should like to move the adjournment of the debate.

Motion agreed to and debate adjourned.

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

HOUSE OF COMMONS

Thursday, December 4, 1952

The house met at 2.30 p.m.

NATIONAL DEFENCE

ADMINISTRATION AT PETAWAWA CAMP—INQUIRY AS TO REPORT

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, before the orders of the day, in view of the fact that it has been announced that the Minister of National Defence (Mr. Claxton) will be leaving tomorrow, I wish to direct a question to him. I ask whether, since Mr. Currie's appointment was announced on April 21, 1952, he has received any positive recommendations from Mr. Currie in regard to the subject matter of his inquiry, in writing or orally, and if so is the minister prepared to convey to the house some information as to the nature of the recommendations which have been made.

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, since Mr. Currie's appointment I have seen him about this matter on one occasion only. That was when he was in national defence headquarters carrying on his inquiry. I asked him to see me and he did. I then asked him if he was getting all the information that he wanted and he said he was. I told him that if at any time he wanted further powers or more information such would be made available to him.

I have had no other communication of whatever kind with him.

Mr. Drew: Mr. Speaker, I would ask a supplementary question. In view of the fact that the minister read to us a letter from Mr. Currie, assuring us at the time of his appointment that he would proceed with the utmost speed to make inquiry into this matter and communicate his views to the minister, may I ask if the minister has pointed that out to him and has he not indicated that it is very desirable that we have the report at the earliest possible date.

Mr. Claxton: Mr. Speaker, I have not interfered with Mr. Currie's investigation in any way whatever. He knows as well as the Leader of the Opposition that it is desirable that a report should be made at the earliest possible date.

Mr. Drew: Mr. Speaker, I ask one further supplementary question. To the knowledge of the minister, has Mr. Currie seen the Prime Minister (Mr. St. Laurent) in regard to this matter within recent weeks?

Mr. Claxton: I have no information bearing on that at all. Had Mr. Currie seen the Prime Minister I am sure the Prime Minister would have spoken to me about it. Since he has not done so I assume that Mr. Currie has not seen him.

Mr. Drew: There seems a strange lack of interest in such an important matter.

NATO CONFERENCE

FURTHER CANADIAN MILITARY COMMITMENTS

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of National Defence (Mr. Claxton) arising out of a Canadian Press dispatch appearing in this morning's paper. Is the minister in a position to assure the house that Canada, at the forthcoming NATO conference, will not agree to any increase in its military commitments under NATO for the coming year?

Hon. Brooke Claxton (Minister of National Defence): When we form part of an alliance, Mr. Speaker, we do so in good faith. At the meeting of the council to be held in Paris on December 15, we will sit down with the other thirteen members of the North Atlantic alliance to consider what should be done. Everything that is suggested will be considered. I shall certainly not be in a position, under our constitutional practice, to make any additional commitments without reporting back to the cabinet. So far as I know, there has been no suggestion that we should make any further commitments for military activity.

FISHERIES

STORM DAMAGE IN NEWFOUNDLAND

On the orders of the day:

Mr. C. W. Carter (Burin-Burgeo): I should like to direct a question to the Minister of Fisheries. Can the minister say what steps are being taken by the government with respect to the recent storm damage in Newfoundland?

Hon. James Sinclair (Minister of Fisheries): The attitude of the federal government towards such catastrophes in provinces has

been stated by the Prime Minister on several occasions, and it has been that property rights are primarily a matter for the provinces. It is only in cases where the losses in such catastrophes are beyond the financial ability of the province to handle that the federal government does assist. So far we have received no request from Newfoundland for such assistance.

We do know, from our own fisheries officials, that the storm damage is very severe, more severe than any in the last twenty years. We do know that the government of Newfoundland has set up a cabinet committee to assess the damage. When they have completed that assessment, they will take the steps that they think proper in the circumstances.

FLOOD CONTROL

REQUEST FOR SURVEY OF SEINE RIVER

On the orders of the day:

Mr. Fernand Viau (St. Boniface): I should like to ask the Minister of Resources and Development the following question: Will the long range Manitoba flood control plans being now completed, which include a hydrographic survey of the Red and Assiniboine rivers, also include a hydrographic and topographical survey of the Seine river, which flows through the city of St. Boniface, the municipality of St. Vital and the rural municipalities of Tache and Ste. Anne, and which every year causes untold damage to the urban and rural populations of those areas?

Hon. Robert H. Winters (Minister of Resources and Development): Hydrographic and topographic surveys of the mouth of the Seine river and of the Seine river flowing through St. Boniface are included in this study.

HOUSING

REQUESTS FOR REDUCTION OF DOWN PAYMENT AND INTEREST RATE

On the orders of the day:

Mr. George H. Hees (Broadview): Will the Minister of Resources and Development state whether the government is considering reducing down payments on N.H.A. housing from 20 per cent to 10 per cent?

Hon. Robert H. Winters (Minister of Resources and Development): I can only say that the government has a great many things under consideration, and that policy in these fields is announced in due course as it is arrived at.

[Mr. Sinclair.]

[*Later:*]

Mr. Stanley Knowles (Winnipeg North Centre): May I ask a question of the Minister of Resources and Development supplementary to the one asked by the hon. member for Broadview (Mr. Hees)? Has the minister been advised of the resolution passed recently by the Liberal association of Winnipeg North, asking that the down payment under the National Housing Act be reduced to 10 per cent and also that the interest rate on housing loans be lowered? Will consideration be given to both of those requests?

Mr. Winters: Mr. Speaker, I would reply that consideration is given to every reasonable request.

Mr. Knowles: Are not Liberal requests reasonable?

SHACK ON FEDERAL PROPERTY DESTROYED BY FIRE

On the orders of the day:

Mr. J. W. Noseworthy (York South): I should like to direct a question to the Acting Prime Minister. Is the press report correct that the tarpaper shack which was yesterday destroyed by fire, and in which an Ottawa family lost their possessions and in which one of their children lost its life, is the property of a federal government agency and rented by that agency to the family for $10 per month? Secondly, if so, will the Acting Prime Minister indicate what assistance, if any, the federal government or the federal district commission as landlord will render this family in their present circumstances?

Right Hon. C. D. Howe (Acting Prime Minister): I have not had sufficient time, Mr. Speaker, to get all the facts. I have determined that the Department of Public Works is not the owner of the shack. I have not had time to receive any reply from the federal district commission. The impression I have gained is that this is a squatters' shack, built there without ownership of the land or authority from anyone to build it. However, the matter will be investigated and if there is anything further to report I shall let the hon. member know.

LABOUR CONDITIONS

QUESTION AS TO DISCRIMINATION IN GOVERNMENT CONTRACTS

On the orders of the day:

Mr. Angus MacInnis (Vancouver East): Since the Minister of Labour is absent, I shall direct my question to his parliamentary assistant. Has the Minister of Labour received a resolution from the Ontario

Women's Liberal Association urging that the orders in council prohibiting discrimination in government contracts be amended so as to include discrimination for reasons of sex? If such a request has been received, will the parliamentary assistant say whether it will be accepted?

Mr. Paul E. Cote (Parliamentary Assistant to the Minister of Labour): The hon. member has kindly sent notice of his question to the minister. On his behalf I wish to thank him. This resolution was received by the minister last Monday, and as soon as the minister has an opportunity of giving consideration to the resolution, a proper reply will be sent to the association.

RAILWAYS

REPORTED CONSTRUCTION IN PEACE RIVER COUNTRY

On the orders of the day:

Mr. Solon E. Low (Peace River): I should like to direct a question to the Minister of Transport. I was not able to furnish him with a copy of the question before I came into the house, for which I am sorry. If the minister is not in a position to answer the question today, he may take my question as notice and bring in an answer at a later date.

Does the minister know whether there is any foundation for the rumour that a railway line is to be built from some point on the Northern Alberta Railway in the Peace river country to Great Slave lake to serve the mining interests there?

Hon. Lionel Chevrier (Minister of Transport): I have not heard of any such rumour, Mr. Speaker. I think if it were to be built by the Canadian National Railways I should know something about it. So far as the other railway is concerned, I cannot speak for it. If there is anything in addition to what I have said already, I shall be glad to give it to the house at a later date.

GRAIN

ALLEGED ILLEGAL MIXING BY TERMINAL ELEVATORS

On the orders of the day:

Mr. P. E. Wright (Melfort): Has the Minister of Trade and Commerce seen the report in this morning's press that the Saskatchewan farmers union has threatened to take court action against terminal elevator companies for alleged illegal mixing of grain? Can the minister give his assurance that amendments to the Canada Grain Act will be placed before parliament at this session in order to guarantee that such practices will not take place?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I have seen the press notices, Mr. Speaker, and I can tell the hon. member that the regulations covering the mixing of grain by terminal elevators are precisely set out in the Canada Grain Act. At this time, I know of no amendment that can be made in the act which would strengthen the situation. If Mr. Phelps or anyone else can give proof to the board of grain commissioners that the regulations are being violated, appropriate action will be taken. I may say, however, that I have read several very wild statements by Mr. Phelps recently about illegal practices all over the prairies. Personally, I place very little stock in the report in question.

CANADA SAVINGS BONDS

PRINTING WORK

On the orders of the day:

Hon. Stuart S. Garson (Acting Minister of Finance): Yesterday the hon. member for Waterloo South (Mr. Meeker) asked me the following question, as Acting Minister of Finance:

> Is he aware of the fact that job printing work in connection with the recent Canada savings bond issue was done in the United States? Why was this, and can the minister assure this house that Canadian printers will be given an opportunity to do this work in the future?

The answer is as follows: It is not true, as the hon. member's question states, that job printing work in connection with the recent Canada savings bond issue was done in the United States. As part of their sales promotion program the payroll savings organization in Ontario purchased bulletin blanks from a firm in Stamford, Connecticut. These bulletin blanks were not printed to order and do not constitute job printing. Six thousand four hundred and fifty of these blanks were purchased at a cost of $206.99. To have charged the art work and lithographing plates against an order of this size in Canada would have cost many times more than this figure.

Approximately $102,000 has been spent for printing forms and publicity material for the seventh series of Canada savings bonds, all of which, with the exception of the bulletin blanks, has been spent in Canada, so that the cost of these blanks represents about 1/500th part of the total amount expended.

Mr. Graydon: Watch that this is not the thin edge of the wedge, then.

[*Later:*]

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, a supplementary question was asked about the advertising of Canada savings bonds in the United States. In view of the

article itself, I was wondering whether the fact that a squirrel was put on a limb has any significance with regard to having them printed in a foreign country.

An hon. Member: No answer is required.

Mr. Cruickshank: You fellows are out on a limb anyway.

INQUIRY OF THE MINISTRY

REGINA MANIFESTO

On the orders of the day:

Mr. G. A. Cruickshank (Fraser Valley): Mr. Speaker, I want to ask a question. Has the Regina manifesto been brought to the attention of the responsible minister?

TELECOMMUNICATION

RATES BETWEEN NEWFOUNDLAND AND MAINLAND

On the orders of the day:

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, I should like to answer a question which was asked some few days ago by the hon. member for St. John's West (Mr. Browne) in connection with the announcement I made concerning a reduction in rates on telephone calls between Newfoundland and the mainland. He inquired whether that statement covered a reduction in rates on calls on Sundays and after six o'clock.

I am informed that the statement which I made does not cover such calls but that the companies concerned would prefer to see the new agreement go into force in order to determine the effects of the new rates and at a later date to consider whether rates between Newfoundland and the rest of Canada could not be reduced on Sundays and after six o'clock.

TAX AGREEMENTS

CORPORATIONS—REMISSION OF INTEREST ON INSTALMENTS

On the orders of the day:

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, I wish to table an order in council passed today having to do with the remission of interest on instalments paid pursuant to the provisions of section 47 of the Income Tax Act, and relating to the fiscal periods ending prior to May 1, 1953, by corporations which were liable to tax on net income under the corporation tax act, 1939 (Ontario), where these are insufficient as a result of the deduction of an amount or amounts calculated under the provisions of section 37 of the Income Tax Act.

[Mr. Rowe.]

In that connection I wish to make the following statement as it is of interest to business corporations in Ontario.

As a result of the tax agreement between the government of Canada and the government of the province of Ontario, signed on October 29, 1952, being made retroactive to January 1, 1952, corporate taxpayers carrying on business in Ontario may have underpaid instalments of federal income tax. In view of the inequity of charging interest on the deficient instalments of federal income tax caused in this way, the provisions of the Financial Administration Act have been invoked to remit such interest, in so far as the under-remittance of instalments relates to the 5 per cent tax formerly deductible under section 37 of the Income Tax Act, and for the period up to the 31st December, 1952. In the result, corporations formerly paying corporation tax in Ontario will not be charged interest on the deficiency in their instalment payments of federal income tax to the extent that these instalments have been reduced in anticipation of the obligation to pay Ontario corporation tax, provided that their position is corrected before December 31 of this year.

BUSINESS OF THE HOUSE

QUESTIONS ON ORDER PAPER

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Acting Prime Minister. In view of the fact that the number of questions on the order paper is getting to be quite large and that the debate on the address in reply to the speech from the throne seems to be going to continue for a while yet, I wonder whether arrangements could be made for order paper questions to be called for answer fairly soon? Perhaps they could be taken once a week?

Right Hon. C. D. Howe (Acting Prime Minister): Mr. Speaker, I will look into the subject and make a statement later.

Mr. Speaker: In view of the fact that the Acting Prime Minister is going to look into this subject, I might say that if questions on the order paper are to be answered in the near future, I must ask hon. members to confine questions which they ask to those which should properly be asked on the orders of the day, namely questions that are urgent. I have allowed considerable latitude this session because questions on the order paper were not being answered.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, December 3, consideration of the motion of Mr. J. L. Deslieres 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. Rene N. Jutras (Provencher): Mr. Speaker, today I propose to deal with the trade policies of the government as related also to the trade policies of the official opposition. In western Canada we are probably more aware or more conscious of the importance of our export trade than are any other parts of Canada. Through experience we have learned that our prosperity, our standard of living, is directly tied up to the markets that can be found for our products outside of Canada. Consequently, anything that is said or done about this vital question of export trade is of great interest, and indeed of great concern, to all of us in western Canada. As a matter of fact, this question of export trade affects not only that part of Canada but all parts of Canada since history and the record prove that when our export trade was high, the country went through a period of prosperity.

Naturally, we were interested when the leader of the official opposition announced that he was going abroad, particularly to the United Kingdom and to Europe, on a fact-finding tour in order to find a solution for some of the problems and then to offer suggestions upon his return. From press releases we found that when he returned to Canada he was rather reticent in his remarks and in the announcement of his policy. As a matter of fact, from the press releases it would appear that he more or less took the attitude: "Elect me first, and then I will tell you what my policy is." However, shortly after his return he was out on a tour of the western provinces, and then he toured some of the eastern provinces. Of course, since the house has been sitting we have heard gradually the announcement of that policy and the echo in the official opposition in the house. We find now that their policy is simply to revive, or to retransplant into Canada, the old Tory school of England who advocate the creation of British commonwealth and empire blocs, higher tariff walls and self-sufficiency, to some degree at least, regardless of the cost to the country.

When the Leader of the Opposition was in my province, he was naturally asked many questions on the policy itself. It is obvious that he tried, to the best of his ability, to hide the true identity of the policy, through various means of using fancy words and press denials. However, this policy is so well known that I am sure nobody can forget it, particularly in western Canada, and it was soon recognized. I am not surprised at the Social Credit party swallowing this from the official opposition, because, as we know, most of the Social Crediters are Tories in background.

Mr. Blackmore: That is an absolute falsehood.

Mr. Jutras: They are just ordinary Tories, with a variety of bibles thrown in. I was more surprised, however, to see the socialists fall for the same policy as well. The only explanation I can find is that they see a possibility of their dream coming true, because they have always dreamed that we would get back to the conditions of the 1930's, and those are the conditions under which they thrive.

At any rate, we find that the official opposition is now advocating the very same policies that were advocated and that were put into force by them during the 1930's. As I said, the leader of the official opposition has not said too much on the subject. However, when he was in the United Kingdom no doubt he spoke with greater confidence, and I find in the London *Daily Express* of October 8 of this year the following. This is in direct quotation marks, which indicates it is taken from the speech of the Leader of the Opposition, and it has to do with his policies. He says:

> This is no new and strange idea. It would merely be a return to the situation which existed until 1939.

So that he is quite prepared, apparently, to return to the conditions of the 1930's, and is quite conscious that he is returning to those conditions. His other policy of advocating greater use, as he puts it, of resources within the country means, as was pointed out to him by a newspaperman in Manitoba, a restrictive policy to a certain degree. He denied that categorically. I read from the Winnipeg *Free Press* of October 31 an editorial entitled "Double Talk":

> Mr. George Drew, speaking in this city Tuesday at a Conservative meeting, once more denied that he is advocating higher tariffs and a policy of protection when he urges the greater use in domestic manufacture of our primary raw material. This is a distinction without a difference. What is worse, it is a refusal to identify his policy by its correct name.

I find that when the Leader of the Opposition went through Nipigon, Ontario, he also made a speech, and in explanation of what he meant by this policy he used an example

which I think illustrates the point very well. I quote from the Ottawa *Journal* of October 18, 1952:

> Opposition Leader Drew yesterday indicated that conservation of resources for the primary use of Canadians will be an important plank in the Progressive Conservatives' general election platform.
>
> Mr. Drew said the "manufacturing clause" in Ontario provincial legislation has ensured the processing of forest raw materials in areas where the people would benefit from employment and income in the north.
>
> The clause restricted the export of unmanufactured forest products and ensured the continuance of pulp and paper mills around which have grown prosperous communities.

I ask, Mr. Speaker, whether there is a more striking example of the result that can be obtained from a policy of restriction of this nature. As a matter of fact, if you take that very industry, the paper industry in Canada, which is dependent upon markets outside of Canada to the extent of 90 per cent of its production, and apply any policy of restriction to it, and there is retaliation in other countries, it is easy to see in what position the industry would find itself in a very short time. It is quite obvious that once more the Leader of the Opposition has not yet outgrown his provincial outlook.

To justify this revival of this policy of the 1930's, the official opposition has drummed up the cry that we have lost our markets in Europe, that we have lost our markets in the commonwealth, and that we have lost our markets in the United Kingdom. Of course, the record is there and nothing could be farther from the truth. This is not new; this was the cry that they used in the 1945 election and they used it again in the 1949 election. We have had this repetitious cry ever since the end of the war, that we were losing markets. One does not have to analyse the statistics or even look at the record. It seems to me that the answer is quite obvious.

Since the end of the war our population has increased by 20 per cent. Sixteen billion dollars' worth of new capital expenditure has been poured into this country to expand production. As a matter of fact, the production of the country has increased by 100 per cent. It stands to reason that we must have found some markets outside, and that our export market must have expanded to take care of this 100 per cent increase in production, and at the same time permit the country to go through the greatest prosperity it has ever known. It is a matter of record indeed that the export trade of the country has gone up by 75 per cent since 1939, and as a result, as I just mentioned, we are going through a period of prosperity.

[Mr. Jutras.]

It is also a matter of record that at the present time a family of four earns one and a half times as much—and I mean in real terms—as it earned in 1939. The record of the figures of export trade speaks for itself.

When the Tory Conservative government turned over the reins of office to the Liberal party in 1935 the total export trade was in the neighbourhood of $700 million. This increased to over $3,000 million in 1948 and stood at $4,000 million in 1951, the last complete year for which we have statistics. As a matter of fact, there is every indication at the present time, according to the figures that are available, that this year will also be a record year so far as exports are concerned.

It is good to remember that under this policy they are advocating at the present time, this government took over a condition of unemployment, relief and despair throughout Canada in 1935. It is a matter of record that in less than a month the Liberal government signed a trade agreement with the United States, and this was followed by twenty trade agreements with twenty different countries, with the result, as statistics show, that there has been an increase and a betterment of conditions in the country gradually. May I say this for the benefit of those in the other corner, particularly those from western Canada. It is also a matter of record that by 1939, before the war, or from 1935 to 1939, the gross national income of the farmers of western Canada had increased by 90 per cent as a result of this policy of finding greater markets and expanding markets throughout the world and removing as many trade barriers as possible. It is also a matter of interest to wheat producers that when the Liberals left office in 1930 they left a carry-over in wheat of some 30 odd million bushels. When they resumed office four years later there was a carry-over of over 200 million bushels of wheat which, in those days, was considered an abnormally high carry-over, and no doubt exerted a downward pressure on the price of grain. The result was, as we know, that grain prices at that time were very low. This, again, indicates the effect of this type of policy.

I should like to apply the test of Liberal trade policies to the last grain crop of which we have record, namely, that of 1951-52. This crop was valued at $1,500 million, one of the most valuable we have had in this country. If we compare the value of that crop with the value of crude oil production in Canada, as the Minister of Trade and Commerce (Mr. Howe) did in Toronto, which amounts to $120 million, we at once realize the importance of the western grain crop when it

reaches a figure of $1,500 million. And the current crop is expected to reach a figure of $1,800 million.

So that at the beginning of that crop year—just to show what the Department of Trade and Commerce was able to do, through the very able management of the minister of that department—we began that year with a carry-over of 190 million bushels. To that were added deliveries of 718 million bushels, making a total of close to a billion bushels of grain that had to be disposed of.

It must also be remembered that in that year out west the weather conditions were unsatisfactory in the fall. The grain that was delivered was in very poor condition. As a matter of fact 66 per cent of the crop was delivered in tough, damp or non-straight grades. The non-straight grades accounted for 66 per cent of the crops. About 100 million bushels had to be put through the driers, because it was not in a condition to be kept or shipped.

Despite these facts—and this is also a great tribute to the Canadian wheat board—despite these great difficulties, and the difficulty of movement, having in mind the fact that the grain cannot be hauled any great distance in that condition without heating or spoiling, it is a matter of record that, even under those very bad conditions, not a single bushel of grain was lost.

And so, Mr. Speaker, the board marketed 650 million bushels of grain, 141 million domestically and 509 million by export. This is the second highest export of grain in the history of the nation, despite all the difficulties I have mentioned, and the condition in which it was delivered.

The disposition of this export grain is also most revealing. Dealing first with the export of wheat and wheat flour, we find that the Department of Trade and Commerce sold wheat to 86 different countries in six continents of the world. They sold 386 million bushels of wheat, representing an export increase to the extent of 37 per cent over the previous year. That is not losing markets.

The distribution of that wheat is of special interest. I find that 63 per cent of the amount exported went to 20 countries in Europe—and I would ask the opposition to take note of that. Then 3·5 per cent went to 17 countries in Africa; 14 per cent to North America, 4·8 per cent to South America, and some smaller amounts to Oceania. Twenty-three areas of the commonwealth took 45·4 per cent. Then of course the United Kingdom, which is still the leading buyer, bought 127·6 million bushels, or 36 per cent of the crop. That is a very large amount for local consumption in the United Kingdom. Even the United States, which has a surplus of wheat, bought almost 39 million bushels from Canada.

Turning now to barley exports we find that the government exported 70 million bushels of barley, or three times the amount exported last year. This, too, is an all-time record, so far as the export of barley is concerned. It is of particular interest, too, to note that whereas formerly 80 per cent of the barley went to the United States, the biggest buyer of barley from the 1951-52 crop was in Europe. We sold to eight different countries. Belgium was the biggest buyer, with a purchase of 18 million bushels, Japan came next with 15 million, the United States 10 million, the United Kingdom 7·7 million, Germany 5·8 million, Denmark 3·3 million, The Netherlands 2·8 million and Norway 2·4 million.

The story is the same so far as the export of oats is concerned. There again 70 million bushels were exported, double the amount exported the year before, and again an all-time record. It went to ten different countries. Then, oatmeal and rolled oats were shipped to 26 countries. In connection with oats the United States was the biggest buyer with a total of 58 million bushels; Belgium was next with 8·3 million; and The Netherlands bought 1·8 million.

So that the total export of the five principal grains was 505·3 million bushels, again the highest export figure in the history of this nation. This grain was valued at $860 million, and represented 20 per cent of the total value of exports of the nation.

I hasten to point out that, in spite of these large exports of feed grains throughout the world, the domestic market was well cared for. As a matter of fact, there were left over 20 million tons of feed in Canada, which works out to roughly something more than one ton of feed to each feed-consuming animal in Canada. As a matter of fact this represents an increase of 33 per cent over the previous year.

Not only have markets been found outside Canada, but a local market, right within our boundaries, has been developed. Under the freight assistance program this new market has been developed right here in Canada. It is interesting to note that whereas the average amount of feed going to eastern Canada over the ten-year period from 1931 to 1940 was 12 million bushels per year, that figure has now increased to anywhere from 70 million to 75 million bushels per year. So that the increase is from 12 million to 70 million.

I wish therefore to tell hon. members from the east, from the maritime provinces, that

those of us in western Canada appreciate this market within Canada and we are ready to co-operate with them at all times in its development. Unfortunately when coarse grains were brought under the Canadian wheat board there was some criticism from feeders in eastern Canada who were a little disappointed in the way they were being affected. I warned them at the time that they were bound to be disappointed because I am afraid a great many supported the idea of the inclusion of coarse grains in the operations of the wheat board because they did not believe in such a system of marketing and were under the impression that the board would not be able to get the highest price and consequently they would get cheaper feeds.

Naturally they were caught short in their supplies in the first year and there was some criticism. I should like to place on the record the prices actually received by the farmer in western Canada for the feed sold in eastern Canada. I think upon a close examination of the facts they will find that the fluctuations under this system of marketing were not as great nor was the margin as wide as some of them believed they would be.

Feed wheat No. 1 paid the western producer $1.49 basis Fort William, and the low on the market was $1.44 with the high being $1.56. It will be seen that the margin was not so great. No. 1 feed barley paid the western producer $1.21 basis Fort William, with the market in eastern Canada showing a low of $1.11 and a high of 1.48. Oats paid the producer 77 cents a bushel, with the market low being 77 cents and the high $1.08. It will be seen that the fluctuations and the disparity were not very great.

Attempts have been made to alleviate the situation and some time ago the western co-operatives suggested to Quebec, Ontario and the maritime provinces the setting up of a central buying agency to ensure supplies for eastern Canada. This appeared to be a sensible suggestion and it should work to the advantage of eastern Canada. However, in a venture of this nature the first requisite is a staff of competent and experienced men and there is a possibility there may be difficulty in getting such staff.

In order to show their good faith the western co-operatives offered to pay 50 per cent of any losses during the first year of operation up to $100,000. That offer is still pending and it may help to smooth out the differences between the east and the west. I believe that this marketing policy has worked to the advantage of the eastern and western provinces. It has eliminated some of the fluctuations and while the western producer has not received the highest prices he feels that he is getting a reasonable and fair price when all factors are taken into consideration.

I have attempted to analyse the export situation in connection with this mainstay of western agriculture and I think I have demonstrated that not only have we not lost world markets, we have constantly expanded our markets throughout the world. The history and experience of this country indicates that that is the only way we can ensure prosperity. We should trade as much as possible with every country in the world and build up markets wherever they can be found so that there may be a greater demand for Canadian products.

The record shows that not only has the Liberal government attempted to get greater markets for Canadian products, they have endeavoured on every occasion to enlarge the markets of other nations. That is why we have joined in these various international agreements which I think should remain in effect. We have attempted to reduce trade barriers and we have concentrated on expanding the trade of this country, thus increasing our standard of living. Any government that would adopt restrictive practices or even mention that they contemplated adopting such policies would do great damage to the economy of the country.

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I propose at this time to draw attention to the war in Korea and Canada's part therein. The speech from the throne contains the following:

> The sacrifices of those directly involved in the United Nations police action in Korea and the anxieties of their families are an inevitable and most regrettable part of the price we are paying to prevent another world war.

I am sure that we all want to express our sympathy to the families that have been bereaved and to the men who have been wounded.

I notice that the Canadian casualty lists show a steady increase and the seriousness of the war can be gauged from these lists. The casualty list dated Ottawa, November 23, and sent out by Canadian Press was as follows:

> A Korean casualty list Saturday included four men killed in action and one officer and six men wounded.
>
> The list brought to 1,234 total casualties suffered by Canadian troops in Korea, including 231 dead, 890 wounded, 28 missing, 84 injured in action and one captured.
>
> The navy has reported three dead and three injured.

That was the 153rd casualty list that had been issued. On May 12 of this year the 108th

casualty list was issued and showed the total number of casualties at that time as 784. In the six months from May to November 23 the increase has been 88 killed, 319 wounded and 20 missing. As an indication of the increasing seriousness of the war in Korea I should like to refer to the casualty lists in this way: In the first nine months since the brigade was in Korea the casualties were at the rate of 42 per month; in the following seven months the rate was 58 per month; in the last six months, that is from May to November of this year, the rate was 75 per month.

How serious are our casualties in Korea in comparison with other wars? In the first place, casualties should be shown as a percentage of the fighting troops, not of the total enlistment. Only in this way can a true picture be obtained. For every man who is actively engaged with the enemy there are at least four who are in the rear areas or on the lines of communication. The heaviest casualties are suffered by the infantry. In world war I, according to the casualty figures shown in the memorial chamber of this building, the infantry who were in France and Flanders suffered 68 per cent of the total casualties.

Consider the casualty list of Dieppe. In that action 5,000 Canadians participated. Six infantry battalions and other formations landed on the beaches and all non-fighting personnel of each unit had been left in England. Dead and wounded were approximately 3,000, or 60 per cent of the total fighting strength of the Dieppe force.

In Korea we have a brigade consisting of supporting units and of three infantry battalions: the Royal Canadian Regiment, the Royal 22nd Regiment and the Princess Patricia's Canadian Light Infantry. The front line fighting strength of each battalion may be estimated at 600, or 1,800 for the three battalions. On these men has fallen the brunt of the fighting and of the casualties.

The total battle casualties, if we omit those listed as injured or captured, amount to 1,149 and of that number I am assuming most are infantry men for I have not the figures for the tanks, signals, engineers or artillery. Had there been no rotation of battalions and had the original brigade remained in Korea from February of 1951 to the present time without replacement, the fighting strength of the brigade would now be one battalion, not three.

In other words, the casualties have been approximately 68 per cent, the same heavy casualty rate as at Dieppe. The only difference is that at Dieppe the casualty rate of 60 per cent was suffered in a period of nine hours and the casualty rate of 68 per cent in Korea has been spread over 22 months.

This is not a police action in Korea; it is war, with all its horrors, its suffering, and its bloodshed.

On November 25, I asked a question of the Minister of National Defence (Mr. Claxton) in these words as given in *Hansard* at page 63:

> . . . are tanks used by Canadian forces in Korea so short of ammunition that they are permitted to fire only two shells per tank per day?

The minister replied in these words:

> . . . I can say that during relatively static periods on any battlefront ammunition is rationed in the sense that guns of all types are allowed a certain number of rounds per day. That is so that they can build up stocks either to meet an attack or, in this case, to meet the possible contingency of an ultimate armistice. We certainly are not going to give the number of rounds per day that are to be fired by any Canadian artillery until they have been fired. The hon. member knows very well indeed that it would be highly improper to do so even if it referred only to the Canadian forces. But in this case our ammunition is supplied from United States sources. We are on the United States supply line and get precisely the same treatment as the Americans get. I am sure that the American military authorities in the United Nations would be the first to refuse this information.

I was not asking for a disclosure as to the number of rounds that might be fired each day by the artillery. I was inquiring whether there was a shortage of ammunition. My experience would lead me to conclude that a ration of two shells per gun per day means there is a shortage of ammunition.

I think you would have to go back to the year 1915 to discover a parallel to this situation. In May of 1915, according to the British official history of the war, very frequently battles had to be brought to a conclusion because of a scarcity of ammunition; and the common phrase used in the order was "the battle must now cease". You will find that expression in the official history of the war, 1915, page 37. A cessation of hostilities due to lack of ammunition occurred at the battle of Festubert in which Canadian forces were engaged.

It might be appropriate at this stage to mention that the Princess Patricia's Canadian Light Infantry first battalion, which has just returned from Korea, has had a casualty list of 36 killed, 2 missing believed killed, and 196 wounded—a total of 236 casualties in eleven months of service in Korea. The original Princess Patricia's serving in France in May of 1915, at the time of this shortage of ammunition, suffered very severely during a twenty-four hour period from the evening of May 7 until the evening of May 8. Six hundred and thirty-five men of the original Patricia's answered the roll call on the 7th of May. When they were relieved on the night of the 8th they mustered only 150.

At that particular time, in May, 1915, a dispatch was published in the London *Times* dated May 12, from the *Times* correspondent in France in these words, and I quote:

> The want of an unlimited supply of high explosives was a fatal bar to our success.

That dispatch resulted in editorials in the newspapers, the stirring up of public interest in the question, the organization of a ministry of munitions, the appointment of Lloyd George as the head of that department, and a general increase in the production of ammunition. If a shortage of ammunition in May, 1915, resulted in that type of attention and action, what about the situation we are facing today?

My question was based on a Canadian Press dispatch from Tokyo which appeared in the *Globe and Mail* about ten days or perhaps two weeks ago. The last paragraph reads as follows:

> Bill Boss, Canadian Press correspondent in Korea, reported today that the tanks are allowed to fire only two shells a day apiece from their 76 mm. main guns and quoted one officer as saying that, "rationed as we are, we've had to pass up targets galore".

I discovered subsequently that the full dispatch had not been printed in that paper but had appeared in the Calgary *Herald*. It went on to say they were not permitted to use their machine gun ammunition from the tanks except in case of enemy attack.

There are two sentences in the minister's reply to my question which deserve attention. Speaking of the rationing of ammunition he said, and I quote:

> That is so that they can build up stocks either to meet an attack or, as in this case, to meet the possible contingency of an ultimate armistice.

I fail to understand what is meant by "to meet the possible contingency of an ultimate armistice". Does that mean that artillery fire should be kept to a minimum while armistice negotiations are continuing, in order not to exasperate the enemy? If that is the case, why fire at all? If you do not harass the enemy with fire he is free to make all manner of preparations on his side for a surprise attack. If our gunners are passing up targets galore, the enemy is obviously being very bold and very active.

Armistice negotiations have been going on for the last seventeen months, and for at least the last six months the point at issue has been narrowed down to a method of exchanging prisoners; but the armistice still lurks around the corner. During the last six months Canadian casualties have been 88 killed, 319 wounded, 22 missing, or a total of 429. We suffer 429 casualties, and yet restrict harassing fire on the enemy while we await an armistice. No army could fight under those conditions. Forces in contact with the enemy cannot be looking over their shoulder for the dove of peace without running the risk of being surprised by the enemy. Let us recall the German attack on the Ardennes in December, 1944, a very critical period in the last war.

In November, 1918, every soldier in the Canadian army knew an armistice was expected at any moment. Was there any let-up in the relentless drive of the Canadian corps? On the morning of November 11, Canadian troops continued to advance, and those who were in support were warned to be ready to leapfrog the forward troops and push onward if necessary on the 12th. There was no rationing of ammunition in those days to meet the possible contingency of an armistice. In May, 1945, every soldier in the Canadian army knew that German resistance was on the point of collapsing. Yet, on the 4th of May we find, and I quote the official historian:

> . . . divisions of the second Canadian corps were still advancing northward and still meeting opposition.

That is found in "The Canadian Army, 1939-45", page 270. As late as noon of that day, impending attacks by Canadians were cancelled by the army commander on instructions from General Montgomery's headquarters because the German surrender was at that time being negotiated and was about to be signed, as it was the same day. There had been no rationing of ammunition down to two shells per gun per day.

The second sentence in the minister's reply, to which close attention should be given, reads as follows:

> We are on the United States supply line, and get precisely the same treatment as the Americans get.

I suppose the minister would include the South Koreans. In other words, if there is a restriction on the use of ammunition or a shortage of ammunition all formations in the army in Korea get the same treatment.

At this point, it would be interesting to refer to another dispatch from Korea, and again I am indebted to the Ottawa *Citizen* of November 24. This dispatch is from the Kumhwa front, Korea, and the headline reads: "Allied officers sick at heart; appalling loss of men in fighting for Kumhwa." The dispatch describes the attack by the Korean second division on Sniper ridge and by the United States seventh division on Triangle hill. The battle commenced on October 14. On October 24, the Koreans relieved the United States division. The Chinese counter-attacked on October 31 and overran Triangle,

inflicting heavy casualties on troops who refused to retreat. Then the dispatch reads as follows:

> The allied situation at this point was made extremely difficult by restrictions that cut back sharply the rate of allied artillery fire in order to save shells.
>
> This paralyzing order came just as the communists completed the massing of more than 200 field guns and thousands of mortars on the front.
>
> Then the high command, appalled at the communist fire power, threw economy to the winds and poured guns and shells into the sector in the greatest artillery mobilization since the second world war.

Had the commonwealth division taken over Sniper ridge and Triangle hill from the U.S. seventh division, we would now be mourning the annihilation of the Canadian 25th brigade because of a paralysing order to cut back the rate of artillery fire in order to save shells. If the 25th Canadian brigade is involved in a major action in December, will there be ammunition available against counter-attack? Is there a shortage of ammunition in Korea? There is no secrecy or security involved in this matter because these dispatches have informed the world that all is not well on the allied side in Korea.

What is the nature of the Korean conflict? General Van Fleet, commander-in-chief of the eighth army, has given the answer in an article reprinted in part in the Ottawa *Citizen* of November 24. He was commenting on the increased use of South Korean troops and their employment with allied forces, and considered this arrangement suitable—I give his words—"for the type of defensive warfare in which we are engaged—static positions with little movement in mountainous terrain". That is the Korean picture; a mountainous country, with the armies deadlocked in static positions and the emphasis on defence. It is not a repetition of world war II but of world war I.

The terrain precludes the continuous trench system of the western front system of 1914-18, but obviously favours the fortification of mountain strongholds. It is generally accepted that, under these conditions, the defenders are more favourably situated than the attackers. With observation posts in the hills and sufficient fire power available, the passes through the hills can be denied the enemy without the necessity of actually occupying the low ground with troops. Veterans of the Italian campaign would recognize, I assume, many similarities in the Korean battlefront. Monte Cassino, the anchor of the Gustav line of defence in Italy, is an example of the value and strength of a fortified hill position. Consider Vimy Ridge of the first world war. It was not a mountain, of course, but a commanding hill position. Fortified by the Germans it was proof against all attack during 1915 and 1916, and cost the lives of 50,000 Frenchmen. This position was taken only by a major assault in 1917.

If our military plan in Korea is to remain on the defensive, and I think it should be, if the warfare is static and not mobile, then I should like to know something about the nature of our defensive preparations. My observation has been that under static conditions of warfare there is every opportunity to establish enormous dumps of ammunition. It is under mobile conditions that supply lines tend to break down and that restrictions on the use of ammunition have to be imposed. Look at the situation in which we find ourselves. There is no submarine menace; we have an airlift and the railway system in Korea is functioning. There are 38 trains daily moving from Pusan to Seoul. They have 60 modern diesels, 360 steam locomotives, and we have air supremacy to protect our supply lines. We have the industrial capacity of the North American continent, and still we are told by correspondents in Korea that there is a shortage of ammunition under these static conditions.

Now, someone may say that I am trespassing on the forbidden ground of the higher military command. My answer is that if the reports are authentic about a shortage of ammunition in Korea or of restrictions on the use of ammunition, even in the face of enemy attacks, then a complete explanation of the conduct and direction of the Korean war should be given to parliament without delay. Have we anything to say as a Canadian nation in regard to the conduct and direction of the war in Korea? A few months ago some concern was expressed about the employment of Canadian troops at the prisoner of war camps. Has anything yet been said about the ammunition supply in Korea or about the methods of defence? These seem to me to be of much greater importance.

What is our military position in Korea? Have we sent merely token forces to meet our obligation as a member of the United Nations? Have we given hostages to fortune? What is our means of communication with the commander of the eighth army? If our 25th brigade should be assigned a role in Korea that, in the opinion of our brigade commander, would result in needless loss of life, has our brigadier any authority to raise objection? Have we at eighth army headquarters any Canadian officer of sufficiently

high rank to influence decisions? The British have a major-general as liaison officer with the United Nations staff in Korea.

We have now two major commitments abroad, namely, in Korea and in Europe. In the future, we may face other commitments of an international nature. How are we protecting Canadian interests under these circumstances?

These questions are not academic. Military doctrine and military methods differ. Continental powers with large populations, such as Russia, Germany and the United States, have tended to be more prodigal in their use of manpower than have Great Britain and Canada. Profiting by the lessons of world war I, the commonwealth armies husbanded their manpower and used armoured vehicles and unlimited supplies of ammunition. The result was only one-third as many casualties as in the first war.

General Montgomery was criticized by some people for what they called over-insurance. General Montgomery believed in expending ammunition, not men. So did General Crerar. On February 8, 1945, when the assault by British and Canadian troops was launched against the Reichwalde forest and the Siegfried line, the artillery under his command fired 160,000 shells just in a few hours.

What is the policy in Korea? If my information is correct, United States military teaching has emphasized attack and has paid less attention to defence and withdrawal. British and Canadian military instruction has given much greater emphasis to defence and withdrawal, owing to wide experience with expeditionary forces fighting against superior numbers; and we are fighting against superior numbers in Korea. We are supposed to be on the defensive. How effective is our line of defence? The 155-mile front has its flanks on the sea. We cannot be outflanked. Sixty per cent of the line is held by South Koreans, 25 per cent by United States troops, and 15 per cent by other United Nations forces including, of course, the commonwealth division and our Canadian brigade. We should be able to resist a frontal attack. The only course then open to the enemy who cannot outflank you is, under these circumstances, an airborne assault behind our front line. But we have air superiority which effectively prevents an airborne attack.

After seventeen months of static warfare, are we so dug in in depth that the enemy cannot effect a penetration of our lines? Is our defensive fire plan so effective that we cannot be surprised? It does not appear so.

The third battalion of the Princess Patricia's is now in Korea. Its first task, its initiation into warfare, was to counter-attack, to assist the Black Watch, who had been overrun. Canada then issued its 153rd casualty list. Yet in the *Globe and Mail* of November 28 I read that two Chinese attacks on Sniper ridge on November 27 had failed because allied defensive fire was intense and accurate. The question that arises in my mind is this: What was the defensive fire plan on the commonwealth division front? Were our troops short of ammunition?

In fact, the whole plan of defence in Korea puzzles me. Are our troops still eking out an existence in foxholes? Do we need an organization in Korea similar in purpose to the German Todt group to build defensive lines of permanence that provide full protection for the troops and that are proof against anything except an all-out major effort? Consider the German defences in Italy in the recent war. They had three substantial defence lines. They had the Gustav line, the Adolf Hitler line and the Caesar line. Our official historian, Colonel Stacey, in dealing with this matter says of the Hitler line:

> The line depended for its strength upon a formidable barrier of concrete and steel structures . . . a number of these were miniature fortresses . . . and each was flanked by additional anti-tank guns manned by crews whose living quarters were secure concrete burrows twenty feet below ground.

Of the Gustav line he says:

> On the German side carefully sited weapon positions on the valley floor and in the mountains to north and south permitted the enemy to sweep the whole of the fortified zone with fire, while deep shelters protected the defenders against our air and artillery bombardment.

One can think of other lines of defence such as the Atlantic wall, the Siegfried line of 1939-45 and the Hindenburg line of 1917-18. These are all examples of the art of defence, where the defender has an adequate zone of fire and has adequate protection for the men who are in this defensive position.

What are we relying upon in Korea? Are we relying on concrete gun emplacements, pill-boxes, mine fields and barbed wire or are we relying upon air power and counter-attacks by infantry?

Reports from Korea indicate that the Chinese have increased appreciably the number of their mortars and guns. Have we done the same? If not, are we planning to do so? Should we not now double the artillery component of the brigade, increase the mortars, and add more heavy machine guns? For defensive static warfare, these are the weapons. Have we the multiple rocket projector in Korea? Its effect was devastating in north-west Europe. Should we double our tank strength? No great increase in personnel will be required to do this, but even if there were

an increase in artillery personnel, for example, we would save on casualties that are inflicted on the infantry.

The experience of the two great wars has been that each successive year there was an increase in the fire power of the opposing armies. More guns and more ammunition were available. Part of the success of the Canadian corps in 1917 and 1918 was due to the fact that it had more artillery pieces and more machine guns than had other corps. Its machine gun strength was doubled in 1918 almost overnight. Under static conditions, with guns properly sited and with observation posts established, the Canadian corps was impregnable. At the battle of Hill 70 in the summer of 1917, the Germans launched 13 counter-attacks. Each counter-attack was destroyed by artillery and machine gun fire. Not one German reached our front line despite these desperate efforts. Cannot the same methods be used and similar results be achieved in Korea? The lesson of the war of 1914-18 is that men unaided by tanks simply cannot make an effective break-through by frontal attack. Not even Chinese are proof against artillery and mortar and machine-gun fire. Fire power rather than counter-attacks by infantry should be the defensive plan in Korea.

Another problem arises. Is the war in Korea now being considered as a war of attrition? I have seen several articles that have suggested that the Chinese cannot long endure the heavy losses they have suffered. Some Canadian officers, in conversation with me, have ventured the same opinion. There are at least three things wrong with this opinion. In the first place, the estimates of Chinese casualties have been grossly exaggerated. If they were true, General Van Fleet says: "There wouldn't be a live Chinese or North Korean opposing us." You will find that quotation on page 39 of the *Reader's Digest* for December. In the second place, a war of attrition against an enemy whose population exceeds 400 million is simply ridiculous. In the third place, the concept of the war of attrition by means of offensive action was applied in 1916 and 1917 with grievous effect to the wrong side; for the casualty lists published after that war showed that the allies had suffered greater losses than had the Germans in those very years when the military commanders were claiming that Germany's lifeblood was being drained away. And we of the British commonwealth expended 250,000 lives in the Ypres salient alone. War by attrition does not necessarily affect the other side.

I suggest to the Minister of National Defence that for the instruction of our present generation of military officers we proceed rapidly with the official history of world war I. Our competent official historian will be able to deduce many a lesson on the effective use of fire power against superior numbers and on the tactics of defence under static conditions. These lessons will be valuable for officers whose practical experience has been only with mobile forces in the advance, efficient as they proved themselves to be under those circumstances.

There need be no conflict between politicians and military leaders in those matters. I am putting forward various suggestions in the hope of obtaining the type of information that I think should be available to parliament. I am in agreement with the minister. He is already on record in *Hansard* of 1952, volume I, page 1080. These are his words:

> When we have men in battle facing a foe abroad we put above everything else the necessity of supporting, in every way, those men who are risking and giving their lives in order that peace may be restored and freedom preserved.

How do we support these men in every way, these men who are risking their lives? We must support them by having some part in determining the conduct of the war in Korea. Canadian military experience is, at the very least, the equal of United States military experience. Is Canadian military experience playing a part on the higher levels in the Korean conflict? We must support these men by providing the arms and ammunition. In the third year of any war, there should be not a trickle but a flood of ammunition. We must support them with adequate fully-trained replacements. Will the minister assure the house that that is being done? We must support them by retaining effective political control over our forces and not relinquishing that control to the military. That is in the British and Canadian tradition. What assurance can the minister give us on that point?

What is the future in Korea? For those who are interested in the subject—and I imagine every member of the House of Commons is—may I suggest that they will find a brief and well written survey in the *International Journal* of the autumn of 1952 by G. H. Stanley, who is at the Royal Military College at Kingston. In the last issue of the *U. S. News and World Report,* which is dated December 5, there is a good summary of the Korean situation, and the various proposals are there balanced one against the other. I have no time to go into that, but I do suggest that parliament should seriously consider Canada's position with regard to decisions that may be made in connection

with the war in Korea, because on those decisions depend a great many things and the lives of our soldiers may be at stake.

For our Canadian forces in Korea I have nothing but admiration—for their courage and for their devotion to duty. They are Canadians; it follows that they have no superiors on the battlefield. I hope that the fortune of war will not strike down any one of our battalions as the Gloucesters were struck down. Should our brigade be called upon to storm a ridge like Sniper ridge or Triangle hill, and hold it without sufficient artillery support, I am confident that they will face their hour of trial with fortitude and determination.

We are engaged in Korea not in a police action but in a war. We have lost the equivalent of the fighting strength of two battalions. We are calling upon our young men to sacrifice their lives on the field of battle thousands of miles from home. Are we taking every precaution to see that not one of those lives is needlessly lost?

Mr. David A. Croll (Spadina): This house is fully aware that national health insurance ranks high on the government's list of unfinished business. It is the next great step towards social security. I think that it affects every one of Canada's 14,009,429 people, and I would not be exaggerating if I said that it is a matter of life and death for some of the people of this country.

If you are a wage earner with dependents you are all right until you get sick and then you are licked. The subject of health insurance is scarcely a new one. It has to my personal knowledge been discussed and debated in the house at least since 1945, and it was by no means a new subject then.

It may be of interest if I recall to hon. members that today there are 39 countries in the world that have national health insurance plans. Most of them provide not only for medical but also for hospital services. Many of them provide for sickness and maternity benefits. Lest there should be anyone in this house who thinks that only socialist Britain and Soviet Russia have taken this step, I want to point out that the other countries include Sweden and Norway, Denmark, Iceland, New Zealand, Guatemala and even little Panama. Nor is health insurance a post-war freak, for the earliest scheme of health insurance was set up in Austria in 1883, almost 70 years ago. It is only fair to say that these schemes are by no means perfect or Utopian. All observers who have had an opportunity to view these health plans admit that they are handicapped by shortages of technical staffs and hospital facilities. But that does not deter those countries from setting up health insurance plans. It is significant that in every country where a health insurance plan has been set up it has acted as a spur to hospital expansion, encouraging and accelerating building and medical facilities.

In Britain, to take only one recent example, the number of doctors, nurses and laboratory technicians has increased faster since the health plan was set up in 1948 than ever before. We find that Canada is behind many countries in providing adequate health care at costs which the people can afford. A nation with the second highest standard of living is twelfth in infant mortality rate.

Mr. Knowles: Shame!

Mr. Croll: Let me read you just a few health statistics which will help us to understand the problem that is involved. Every year in Canada the following deaths occur because of sickness and disease: Tuberculosis, in 1950, 3,583; in 1951, 3,418; communicable diseases, in 1950, 5,577; in 1951, 6,999; infants under one year, 15,324 in 1950 and 14,584 in 1951; infants at birth, under one day, 3,996 in 1950 and 3,637 in 1951.

Here we have nearly 30,000 deaths a year, most of which are caused by lack of proper living conditions and medical care. Just think of it! Thirty thousand people die every year, more than a quarter of a million every ten years, and most of the deaths could have been prevented.

Nor is my list of statistics complete by any means. Let me recall some figures that were given the house several years ago by a former minister of labour. He pointed out that out of 1,014,491 men examined under mobilization regulations 55 per cent were unfit for front-line service and 285,055 were unfit for service anywhere, in any capacity.

I have here a report contained in the Ottawa *Journal* of November 12, 1952, in which Lieutenant Colonel H. V. Matthews of Toronto, speaking before an armistice gathering in Kitchener, said:

> More than 50 per cent of the youths trying to enlist in Canada are unfit for military service. We reject more people than we accept.

In other words, out of more than a million Canadians examined, more than half had health defects which made them unfit for military service. These figures are only for men of military age. What about the women and children, and the older people? We can assume that these shocking figures can be projected across the entire population of this country. A balance sheet of national health would contain a staggering figure of human lives lost or impaired, of millions of man-hours lost, of untold pain and suffering and

sickness. The net result is a wastage of human life, manpower and money which dwarfs understanding.

Faced with this appalling balance sheet of health, no one person in the House of Commons or in the country will deny that everything possible must be done to help remedy the situation. There is of course no simple prescription for national health. It is compounded of many ingredients, and there may not be general agreement on all of them. But one vital ingredient is beyond dispute: It is simply this, a better distribution of all health services. No prescription for national health which does not include this can possibly be effective. We must find the means of providing better health for all, regardless of ability to pay. We must remove the price tag from health, and share the cost of illness. We must make sure that economic needs do not prevent Canadians from having access to the health care they need. Patients must have the right to choose their doctors, and the doctor his patients. Doctors are not to be servants of the state, but are to be free to serve their patients.

I am just as much opposed to socialized medicine as is any doctor. I do not want to see our doctors on the government payroll. But we need the help and guidance of the medical profession in a constructive spirit to help solve our problem. In common with many others in this country I believe our answer is to be found in some plan of national health insurance underwritten by the dominion and administered by the provinces for the benefit of all Canadians.

I am well aware there are some objections to national health insurance. I suppose the first objection is that our medical facilities in Canada are not developed sufficiently to support a comprehensive plan of national health insurance. That may well be true. But let us not lose sight of a few things. First, I do not believe our medical facilities are less either in quantity or in quality than those of most other civilized nations. I know that our doctors, our nurses and our technical people are second to none in the world. I know of few countries that can boast finer or better equipped hospitals or clinics.

No doubt it may be said, and with truth, that we have not enough of these things. But what country has? I do not wish to make unfavourable comparisons with any other country; but I would ask whether Canada is in any worse position medically speaking than Norway, New Zealand or Panama. I cannot believe it. Yet these small nations are among the 39 which have introduced national health insurance.

Of course we have not enough medical and health facilities; no country has. But if we are going to sit back and wait until we do, then you know when we are going to get health insurance: just about never. I am convinced that greater health facilities will come with a health insurance plan. That has been the experience of every country that has adopted such a plan; and it is significant that in no country was a plan abandoned because facilities proved unequal to the task.

Today we may lack personnel and facilities which are deemed sufficient; but is that a good enough reason for not starting a plan, even in a limited fashion? It just cannot be argued that a country as rich as we are cannot bed down its sick and remove from its people the constant fear that illness may strike their homes tomorrow and throw them on charity.

The next objection of course may come from members of the medical profession. It is regrettable that the subject of national health insurance should be viewed with such suspicion, alarm—and worse—by a considerable number of Canadian doctors. Yet such is the case. The stock reply we get from the doctor is: Why should I become a civil servant? This feeling, which I call civil service phobia, dies very hard. Leaving aside for the moment the slander against civil servants, whom I personally have found to be diligent and conscientious, I believe that this reaction from a portion of the medical profession betrays a lack of understanding of the whole subject of health insurance.

I do not suggest that doctors are not fully aware of the need for expanded health services. No one has better opportunity than has the doctor, who meets the problem a hundred times a day. But I feel the medical profession are under a misconception of the true meaning and purpose of national health insurance. No one is proposing to take away from the doctor or the patient freedom of choice in their dealings one with the other. No one is proposing to make doctors civil servants or to turn patients into slaves of a bureaucratic medical system. By our administration of social services in this country we have amply demonstrated that we can have welfare without tyranny. Another objection to health insurance doubtless will be its cost. I can only ask hon. members to refer to the health figures I quoted earlier.

This country cannot afford to be without health insurance. Of course health insurance cannot be had for nothing. We must not mislead either the people or ourselves on that score at this stage of our thinking on the subject. I do not think that anyone can do

any more than hazard a guess as to the cost. It depends upon the extent of the plan and one thing is sure: the more extensive, the more expensive. I say again: Can we afford to be without health insurance? Once that question is answered we can go on to examine the problem of the cost. The Toronto *Star* of February 15, 1950, contained the following:

> Public medical care programs for persons receiving public assistance are now in operation in four provinces. Ontario was the first to establish, in 1935, a public medical service for persons on relief. In 1942 the service was extended to old age pensioners and families receiving mothers' allowance. In 1945, Saskatchewan put into operation a more generous medical care service for all recipients of public assistance, and since 1947 similar programs were put into effect by the governments of Alberta and British Columbia.
>
> These programs are helping to build experience and to train administrators of health insurance in Canada.

I quote that because I happen to know something of that problem. I am no great authority on health insurance, but the house will be interested to know that as minister of welfare for Ontario in 1935 it was my responsibility to look after the people who were victims of the depression. At that time one in ten residents of Ontario needed medical care. Acting in my capacity as minister in consultation with the medical association we found a formula that provided medical care for those people on a fee-for-service basis. We paid the medical association which in turn paid the doctors. This was the first province-wide health plan in Canada. As the article indicates, that plan has been continued in Ontario as a model arrangement. In 1942 it was extended to old age pensioners and those receiving family allowances. It was copied in 1945 in Saskatchewan, and in 1947 by the Alberta and British Columbia governments.

As a supporter of health insurance and as an innovator, I have some appreciation of the administrative problems involved. I think I have some idea of the intimate and precise study and preparation required before we can take the next step.

Before I say anything further may I indicate to the house that I had the privilege of hearing the report by the parliamentary assistant to the Minister of National Health and Welfare. Time did not permit him to relate more than a small portion of the achievements of that department, and they are many and great. The government's record on health and welfare must be described in glowing terms. I support what has already been done and I associate myself with its accomplishments. The minister has been consistently an advocate of health insurance. He has been intimately concerned with the sick and the ill. It may be that he thinks he has moved as fast as circumstances and conditions will permit. I think he is moving a little slowly. For that reason I am prepared to push him, but I am not prepared to shove him.

Let us see what courses are open to us. The government could present a bill on health insurance, we could debate and criticize it, and as a government measure it would have to pass. I do not think anyone in this house suggests that that course of action should be adopted. On the other hand, the minister could present a bill on national health insurance, its principle could be adopted, and then the bill could be referred to a committee of this house or to a joint committee of both houses to consider and report back. In that case the committee would be limited to making inquiries within the scope of the bill. I do not think that that is good enough.

Then the government could appoint a committee of this house or a joint committee with wide powers to study health insurance in the light of modern needs, conditions and accomplishments, with instructions to bring in a report which the government might or might not adopt in part or in whole. I think that that is the proper course to follow. I ask the government to set up at this session a joint committee of both houses to prepare a blueprint for national health insurance.

We in this house know very little about health insurance; the public knows even less. The public feel that they need it, they want it, but they are not quite sure what it will entail. They have a feeling it would be for their good. There has been a great deal of talk in the house about the number of studies that have been carried on, but the fact is that only two studies of this problem have been made in the last twenty-five years. I cannot emphasize that too strongly.

In 1928 the standing committee on industrial and international relations investigated insurance against unemployment, sickness and invalidity and brought in two reports. On June 1, 1928, they brought in a report dealing with the legislative jurisdiction, and I quote:

> That the evidence of the justice department makes it clear that the responsibility for such legislation rests on the provincial authorities, it being within their jurisdiction under the provisions of the British North America Act; but that it would be within the power of parliament to contribute by grant to such provinces as adopted such legislation, following the precedents set in the matter of technical education, highway construction, and, more recently, the Old Age Pensions Act.

On May 1, 1929, the same committee brought in a further recommendation as follows:

> That with regard to sickness insurance, the Department of Pensions and National Health be requested to initiate a comprehensive survey of the field of public health, with special reference to a national health program. In this, it is believed that it would be possible to secure the co-operation of the provincial and municipal health departments, as well as the organized profession.

That date of May 1, 1929, is significant. Everyone remembers the hungry thirties. At the end of the thirties we entered a war and we did not come out of it until 1945. It is significant that in 1948 definite steps were taken, not only to comply with this recommendation but to go even beyond the recommendation.

In 1943 we had a special committee on health composed of top civil servants which was known as the Heagerty committee. They did a very able job, but the Heagerty report is now ten years old. We are living in the penicillin age. Scientific progress has been rapid in recent years and the demand for better care and the cost of providing it have both increased sharply. We are faced with a whole new set of problems in the field of health. Surely the friends of health insurance recognize the need for an up-to-date study by members of this house.

The impression is often given here that the British introduced their health scheme overnight. No such thing. A parliamentary committee studied it and brought in a report; and they had before them the Beveridge report which has used it as the basis for recommending the present health plan. Then I hear many people say: Oh, you have been promising it since 1919. That is true. Does it ever occur to those who make the statement that this is not an overnight project? It was 1911 when Lloyd George first introduced health and unemployment insurance in Great Britain but it was 37 years later when the act came into effect. It was 1912 when Teddy Roosevelt, not Franklin, first suggested health insurance in the United States. They still have not got it. The last report was made on health insurance following a request by President Truman in September of 1948, a significant year because we did something about health at the same time. President Truman wrote to Oscar Ewing, who was the federal security administrator, and asked him to make a survey; and Mr. Ewing did so. He told the President there were four phases to health insurance, and I quote from page 91 of "The Nation's Health—A Ten-year Program". This is a United States government publication.

> Phase one
>
> Federal legislation to settle the basic policies of a system of government insurance and to decide important details; and to provide for a three-year "tooling-up" period before the date on which insurance benefits are made available.
>
> Phase two
>
> The tooling-up period during which procedures would be worked out co-operatively by professional groups, localities, states and the federal government; agreements arrived at with individuals and groups providing medical services; and the machinery for actual operations set up.
>
> Phase three
>
> Operations begin, services are provided up to the ceiling set by resources as they exist at the time.
>
> Phase four
>
> Expansion of services, as the accelerated increase and improved distribution of medical manpower and facilities lift the ceiling, until comprehensive services are available to everyone, everywhere in the country.

Mr. Ewing further told the President that would take ten years.

I think it would be unfair to the members of this house and it would be hazardous to the public to ask us to inaugurate a comprehensive insurance plan until we have much more information. Let us just deal with the question of cost for a few minutes. It has been suggested by a group in the house that the cost is likely to be $30 per capita. The minister has made the suggestion that it is likely to be $43 per capita, and the voluntary agencies suggest that $50 is a better figure. If for a family of three the cost will be approximately $12 a month, how is it to be paid? Is it to be paid entirely by the employer or by the employee, or is there to be a division? Is it to be a flat rate or a graduated rate or a combination of flat and graduated? What will be the government contribution?

Should we not know something about what has been done with the $160 million that we appropriated in 1948 which was for a five-year health grants program? How much of that has been committed? How much has been spent? How many new beds have resulted from construction? How are they distributed? How many people have they trained professionally?

What about the attitude of the provincial government? Should we not give detailed study to the provincial surveys? They have gone to a lot of trouble. Would I be wrong if I said that no one in this house has read them? Would we not be subject to very serious criticism if we did not first read the surveys and find out where the provinces stand?

I have a report from the Windsor *Star* dated October 24 which deals with the provincial attitudes to health insurance. It reads:

> . . . Newfoundland has not yet reported . . . Ontario and Quebec did not comment . . . British Columbia, Alberta and Saskatchewan are strongly in favour of some such plan. Nova Scotia and Prince Edward Island are satisfied for the time being to leave it to the voluntary plans. New Brunswick, while seeing both advantages and disadvantages, . . . seems to oppose an immediate start. Manitoba favours health insurance in principle but feels that it is not feasible at the present time.

Not much comfort there. What about the private agencies? How many persons are covered by the voluntary agencies such as Blue Cross, physicians' service, insurance companies and co-operative organizations? Some employers at the present time are obligated to pay a portion of the employees' cost of health insurance. Will that obligation carry on if the voluntary agencies are integrated or taken over? Should the plan be an over-all plan or should health insurance be introduced progressively? As far as I am concerned, I can take my health insurance without wigs, toupees or false teeth on the first day it starts.

Is not a joint committee the proper place to study other health plans, to compare costs, question witnesses, and give public bodies a chance to be heard? Will it not also be of educational value to the people of Canada in the interests of a clear understanding of what is involved?

Dr. Malcolm G. Taylor, director of the Saskatchewan health planning commission, is quoted in the Toronto *Star* of February 5, 1950, as saying:

> Since, as appears evident, Canada is approaching the day of decision concerning health insurance, the important question is, what kind of health insurance?

The editorial goes on:

> Dr. Taylor has suggested that this would depend on the answers to the following, among other questions:
>
> 1. Should it be a national scheme, on the British model, or should there be ten different schemes, evolved by the provinces?
>
> 2. Should professional associations have administrative authority? Should government funds be turned over to a profession or an association for distribution to its own members?
>
> 3. How shall health insurance be paid for? Should it be entirely or partly financed by the state? Should it be compulsory or voluntary? Which of the three levels of government should participate and in what proportion? Should individuals pay according to a flat rate or by graded income tax levy? Should employers contribute?
>
> 4. Should all services be provided from the start? If not, what should be included and what left out?

Now, it is quite true that the opposition will say that a committee is merely a stall, but because that charge is made is no reason to refuse to set up a committee. With this government the public does not demand every promise in writing and notarized. They have given us their trust and confidence for almost two generations. We have not failed them. We, who have given this country every worthwhile social measure, intend to secure for the people whatever is required against the ravages of disease and ill health.

I have already indicated that there are many problems that need study. There are five particular aspects that have to be studied by some committee at some time. First is the question of health grants; what has been done with them and how effective they have been. Second is the question of provincial co-operation and how we can obtain it. Third are the voluntary agencies and how we can integrate them. Fourth is the attitude of the medical profession, how we can pacify them. Fifth is the question of costs and their distribution.

I think, in the light of these problems, it is clear that only a committee could now make progress to blueprint a health insurance program. We need to assess our manpower, facilities, knowledge, and funds to be used for health insurance. It is true that the time is short. It is not likely that any committee could be organized before the middle of January. If there should be a spring election it would be almost impossible for the committee to complete its deliberations. If, on the other hand, there should be an election in the fall it may be possible to bring in a report before we adjourn, which would be about the middle of May. I do not know, but I believe it is time we got at the job.

I have said that a committee could recommend a formula for health insurance, but it would do more than that. It would help prepare the country for health insurance and perhaps deal with the most pertinent problem before us: shall it be all or nothing at this time? In its wisdom it may well recommend a limited service to be increased progressively; that has been the experience with every plan that is in existence at the present time. It is quite possible the committee may find that the country is in a position to undertake immediately or within the very near future hospitalization or diagnostic treatment. The medical profession generally welcome the extension of hospitalization to the public, and I think they would co-operate fully. Perhaps that would be our first step. I am sure none of us is prepared to accept a half-baked plan that may well set back health insurance for a generation in this country.

When I said that health insurance ranks high on the government's list of unfinished

business I heard someone across the floor say "hear, hear." I believe it would be worth while, in the few minutes I have at my disposal, to look at the position of the other political parties in the house on health insurance. Their position is put forward in *Hansard*. The position of the official opposition is found at page 29 of *Hansard* for November 24:

> For that reason there should be general agreement that the first and necessary step in dealing with this subject is to institute an inquiry which would be conducted by representatives of the medical profession, the hospital boards, the dominion, provincial and municipal governments.

The position of the Social Credit party is found at page 56 of *Hansard* for November 24:

> The Social Credit kind of national health program would ensure that sufficient doctors, dentists, nurses, technicians, clinics and hospital beds would be made available first to take on the work as the scheme is extended.

In so far as the C.C.F. position is concerned, they say: "Health insurance here and now; we have had enough committees and surveys. What we want now is action." It is obvious from the statements on the record, and we who are parliamentarians know exactly what all the parties mean. We can reach only one conclusion. The Liberal party is the only party that can bring health insurance to the Canadian people because the Tories won't and the C.C.F. can't.

Mr. Knowles: And the Liberals won't unless they are shoved.

Mr. Croll: My suggestion is that this is the time to begin. If we do not, we shall be answerable to future generations for our complacency and our failure. So long as a single life is lost unnecessarily; so long as one person endures suffering which could have been prevented; so long as sickness takes its needless toll, then we shall have failed in our responsibility to the Canadian people. I repeat my suggestion that at this time we can make progress in one way and one way only, by setting up a committee of this house or a joint committee to blueprint health insurance.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, this afternoon I wish to direct some attention to the Canadian beet sugar industry as it relates to national defence. There are in Canada at present seven beet sugar factories. There are three in Alberta, all in the Lethbridge area, one in Manitoba and two in Ontario, as well as one in Quebec. These seven factories can produce an estimated 25 per cent of the needs of Canadians in respect of sugar. Both the sugar beet growers and the sugar beet factory owners are fearful that this valuable Canadian industry is in grave danger. It can be destroyed before long by the rising importations of Cuban granulated cane sugar.

The Chatham *Daily News* of November 7, 1952, carries the following headlines:

> Sugar beet industry facing extinction.
> Refined Cuban sugar floods domestic market.
> By Ted Aitkin

In the lower right-hand corner of the front page appeared this headline:

> Sugar beet marketing board urges Ottawa to protect sugar beet industry.

The same newspaper in its November 17 issue on page 11 carried this headline:

> Cuban refined sugar forces down domestic beet payment.

As everybody knows, if domestic beet payments are forced down our farmers will be warned away from the production of sugar beets. Thus the industry could be easily destroyed.

Far too few Canadians realize how serious a situation this could indicate, first as regards Canadian sugar supply in case of war and even in peace, and second, as regards Canadian sovereignty.

Let me review some of the facts concerning the sugar supply in world war II. In Canada sugar rationing was introduced on July 1, 1942, and continued until November 3, 1947. Throughout most of this period the household ration was a half pound per person per week, plus a varying extra allowance during the home canning season. In 1945 the ration was reduced to about six ounces a week. The industrial users of sugar such as bakers, confectioners, soft drink manufacturers, etc., were rationed at varying rates at varying times from as low as 50 per cent to as high as 90 per cent of the July, 1941, usage.

The total annual per capita consumption of sugar, direct and indirect, including the sugar content in jams, biscuits, confectionery, canned fruit, etc., is indicated in the first column below. The second column gives the total annual per capita consumption of sugar in all its forms, including the sugar content of glucose, corn syrup, honey, etc. The table is as follows:

Annual Per Capita Consumption

	Cane and beet sugar	Sugars of all kinds including sugar content of glucose, corn syrup, honey etc.
1935-39	94·7	101·7
1943	72·1	85·6
1944	83·8	97·6
1945	68·9	79·2
1946	72·2	84·8
1947	89·0	100·2
1948	98·7	106·2
1949	99·3	106·5

By glancing at those figures we can readily see how seriously the people of Canada were limited in the matter of sugar consumption. Sugar is one of the absolute musts in the diet.

Let us see what were the main causes of this rationing, that we may be able to judge whether or not those causes can apply in any coming conflict in which Canada may be engaged.

First, there was a sharp reduction in the world output. The Philippine sugar industry was destroyed. The sugar industry of Java was destroyed. The sugar industry of many of the European nations, especially those that were occupied and overrun, was in large measure destroyed. Such countries as Poland and the Ukraine also had their sugar industry destroyed.

Production was greatly impaired in such countries as Australia, Fiji, Trinidad and Antigua. This impairment was caused by a variety of reasons. One would be lack of fertilizers, and there were many others.

The total falling off in the world's production of sugar amounted to 8 million tons. This falling off reduced the world sugar production from 31 million tons in 1939-40 to 23 million tons in 1945. These figures I take from a report of the wartime prices and trade board released in March of 1946.

Meanwhile the world population was increasing. We must make allowance for the rapid increase in the world population. Many people are afraid that we are not going to be able to produce all the food the world needs, even under the best of conditions. It is estimated that probably the world population is increasing at the rate of some 25 million a year, and that at this rate of increase the world population will practically double in the next 70 years. All those who are contemplating the production of food in the world should bear strictly in mind figures like that. Seventy years is not a long period. Babies lying in our cradles today will probably see that time and have to cope with the dreadful problems which will then prevail.

In any world war of at least the immediate future, we must expect still greater destruction of sugar production; for if matters continue as they are now we shall have Russia and her satellites, with a tremendous population, ranged against the United States and the so-called NATO and other free nations. That will mean that we shall have a world in conflict in two opposing camps, and all the rest of the world will be the battleground. There will not be much chance of producing sugar up to normal in most of the battleground and perhaps in much of the territory occupied and held by the great combatants.

Let it be borne in mind that we shall have submarines of far wider range, of far greater striking power and of much greater versatility in the next war than those we had in the last one; and submarines accounted for a good many cargoes of sugar. We shall also have aircraft of far greater range, striking power and versatility than those we had in the war just past. We shall have guided missiles, with all the fearful possibilities that could derive from their use in the matter of sinking cargoes of sugar that suppliers might attempt to bring to the Canadian shore. I am not mentioning the possibilities of the use of the atomic bomb and the hydrogen bomb. Just imagine what would be left of the finest of the sugar-producing islands if an atomic bomb or a hydrogen bomb were dropped on it. As sober Canadians in a responsible position we, together with the people throughout Canada, must take cognizance of these facts and must guide our future policies with our eyes upon those facts, not upon theories, no matter how much we might have loved those theories.

It will be argued that Canada might safely rely upon the United States to bolster the Canadian sugar supply in case of need. In world war II Canadians were fast wearing their welcome out as dependent neighbours of the United States in the matter of sugar supplies.

To bring this matter forcibly to the attention of all interested people throughout the country and throughout the house, I ask permission to read into *Hansard* a quotation from the United States *Congressional Record* of 1947, at page A507:

United States Press Criticizes Work of Sugar Pool. Extension of Remarks of Hon. Roy O. Woodruff of Michigan in The House of Representatives.

Thursday, January 30, 1947.

Mr. Woodruff: Mr. Speaker, under leave granted to extend my remarks in the Record, I include the following article from Sugar Facts, published at Chatham, Ontario, of January 15, 1947:

United States Press criticizes work of sugar pool—Editorial comment supports Representative Woodruff's charge United States contributing more than fair share—Canada attacked as one giving less.

A letter forwarded to Hon. Thomas A. Jenkins, chairman of the Republican congressional food study committee, with respect to the sugar situation has occasioned a flood of editorial comment throughout the United States. Author of the letter, Representative Roy O. Woodruff (Republican), of Michigan, wrote in part: "With our beet-sugar production up and Cuba's production up, one may well ask why our sugar bowls are empty and why so much fruit and vegetables cannot be canned for lack of sugar. The answer is found in the program carried out by the combined food board,

which has lately been expanded into the international emergency food commission. The combined food board was composed of the United States, Great Britain and Canada. The United States and its offshore territories make the greatest contribution to the pool, as they furnish over 60 per cent of the sugar consumed in this country in addition to sharing with other nations the 3,768,000 tons which the United States bought from Cuba. In short, United States consumers get only 2,125,000 tons from Cuba, and the remaining 1,643,000 tons are distributed to other nations by the commission. By comparison, Britain will provide less than 30 per cent of her sugar consumption, whereas Canada will produce only 18 per cent of its sugar needs.

"Sugar rationing continues in the United States with promise of only a microscopic increase in allowances, yet Canada recently declared a sugar dividend of three extra pounds per person to her household consumers. This dividend has been reported in the press as being justified by increased supplies of sugar. Canada is producing only 65 per cent of its beet-sugar plant capacity, with the largest beet-sugar plant in Ontario standing idle for the past 5 years."

Mr. Woodruff's letter goes on to quote J. H. Blackmore, M.P., who told the Canadian House of Commons, "I am utterly amazed at the indifference which prevails in this house and in the Dominion of Canada with respect to the sugar supply."

"It is obvious," wrote Mr. Woodruff, "that the administration in Washington has simply stood on the sidelines and let the American producers and consumers carry the load for other nations".

The press of the United States sprang eagerly to Mr. Woodruff's cause. The *Tri-County Banner*, of Blanchard, Mich., ran his letter under a page 1 headline, "Bureaucrats cause of sugar shortage, claims Woodruff".

The Bay City *Times* editorialized "He deserves the gratitude of the public for starting the ball rolling." The Detroit *Sunday Times*, reporting a speech by James Vernor, ginger ale tycoon, headed the story, "United States sugar shortage laid to new deal plan." The same paper, in another story, reports "In Washington, stacks of letters from outraged housewives, denouncing the sugar shortage and demanding relief, are being exhibited by congressmen."

The Los Angeles *Examiner* ran a banner headline, "Housewives' sugar fight urged" with a page 1 box "Want more sweets? Tell Congressmen." The Detroit *Times* of December 24 cried plaintively, "Europe got (our) Yule sugar."

Senator Bridges, Republican, from New Hampshire, warned Secretary of Agriculture Anderson to supply sugar, declaring that while Anderson is prepared to ask only 9 pounds more sugar per person in 1947, sugar industry experts have produced figures showing that were Americans to get their rightful share they would have 19 pounds more sugar per person than in 1946.

The Detroit *Free Press* quoted Chairman Jenkins, of the Republican food study commission, as saying, "The American housewife has suffered more than her share of the wartime sugar shortage as compared with the industrial user of sugar . . . any increase in the ration for 1947 beyond the 20 per cent extra already recommended should go directly to individual housewives." (The 20 per cent increases suggested by Jenkins are double the amount of increase considered likely for 1947 by the department of agriculture.)

Anyone reading that statement will readily see that if the war had gone on for two or three more years those protests would have registered in congress with such vigour that congressmen would have been forced to take action and Canada would have been without the sugar we had, little as it was. I hope we shall all bear in mind, inside this house and outside the house, that very solemn fact.

It will be argued that there is a world surplus of sugar production. That is no responsibility of Canada or Canadians. It seems to me that I have known a good many people who feel that because there is a world surplus of sugar we ought to do something about it. We do not have to do anything about it. Let those who are overproducing do something about it. Every nation certainly has an inalienable right to increase its production of any commodity to the point of self-sufficiency in respect of that commodity, provided that the nation is well adapted for the production of that commodity.

There can be no conceivable doubt that Canada is eminently fitted for the production of sugar. Canadians can produce all the sugar they need in the province of Alberta alone, south of High River. In my own constituency where there are now three sugar factories, there could be two more. I am not saying there should be, but there could be. We are now constructing the great St. Mary-Milk river water conservation project, which will put water on 350,000 odd acres. Thirty thousand acres, according to the estimates of those who know, will support a sugar factory of 1,500 tons slicing capacity such as is the factory at Raymond, in my constituency, which can supply Canadians with roughly 5 per cent of their sugar needs.

We also have the Canada Land and Irrigation project. We have the Eastern irrigation project around Brooks and Rosemary. These all comprise land which is eminently suitable for the production of sugar. These irrigation projects together with others in southern Alberta would provide land for the production of all the sugar needed by Canada's present population. There may be objection to subsidizing the price of the sugar, or the freight on it, so as to move it down to Ontario and Quebec or out to British Columbia where it may be needed. But the simple fact is we can physically produce the sugar.

In Ontario there is room for many sugar factories. In Saskatchewan, in the Carrot river valley, sugar can be produced with great success, according to estimates. Sugar is also being produced in Manitoba. We have no grounds for supposing that Manitoba could not support another sugar factory. Therefore there is simply no conceivable

excuse for Canada's failure to produce sufficient sugar to meet her needs, and to do so under highly economic conditions, as I shall show before I finish my remarks.

It will be argued that the beet sugar industry is an uneconomic industry, unable to compete successfully with the cane sugar industry without subsidies and various kinds of help, the whole result being that by using the beet sugar industry the way we do we are making our consumers pay an unjustly high cost for sugar. I propose to read into the record an excerpt from the submission to the royal commission on dominion-provincial relations by the Alberta co-operative sugar beet growers association in 1937. From a perusal of this excerpt in this report it will be easy for anyone to see that the beet sugar industry can hold its own quite successfully if it is not subjected to handicaps to which no one in his right mind would think of subjecting any industry.

When you stop to think of the kind of protection which is given our manufacturing industries producing agricultural machines, our manufacturing industry producing automobiles, and almost every other industry including wheat, apples, carrots, table beets, cabbages, and almost anything you can name, when you consider the protection given these you begin to say: "Well, an ordinary amount of protection to the Canadian beet sugar industry is only logical." I read:

To indicate the value of this industry to the agriculture of our district, the community in general and the Dominion of Canada, we submit the following figures relating to the 1937 beet crop: 235,481 tons of beets were produced from 19,829 acres of irrigated land—an average of 11·88 tons per acre; 75,603,700 pounds of sugar were manufactured; 3,813 pounds was the per acre yield of refined sugar; $3,040,000 worth of sugar was manufactured; $155 was the total gross return per acre; $77.50 was the gross return to the manufacturer; $77.50 was the gross return per acre to the farmer.

The farmers' costs approximated $60 per acre which includes $25 per acre paid for hand labour by the farmer. Those figures were given in a speech made by T. George Wood, manager, Canadian Sugar Factories Limited at Lethbridge, Wednesday, March 23, 1938. We believe that this land is producing more food value per acre than any other land in the dominion.

I believe it was, too. I continue:

Sugar beets of the highest quality can be grown, harvested and manufactured into refined sugar on all of our irrigated lands in Alberta. This industry has, in the districts where it is established, made a tremendous contribution toward the prosperity of both the urban and rural sections and to our national economy.

The annual returns from the Lethbridge northern irrigation district rose from $761,000 in 1935 to $1,057,000 in 1936, the first year the new sugar factory operated in that territory.

[Mr. Blackmore.]

The sugar factory referred to is the one at Picture Butte.

I continue:

Average yields of sugar beets 1926-29

	tons per acre
Great Britain	7·70
Belgium	10·98
Czechoslovakia	10·12
France	9·11
Germany	9·91
The Netherlands	13·10
United States of America	9·63
Average	10·7

What did Alberta do?

The average for Alberta for the same years was 8·0 tons per acre. For the year 1937 the average yield in Alberta was 11·88 per acre, while in the United States it was 11·77. As for the quality of beets in Alberta, the average sugar content from 1925 to 1937 was 16·6 per cent, while for the 1937 crop it was 18·16 per cent.

I wish to state now, Mr. Speaker, that 18·16 per cent would probably be one of the very highest sugar content figures to be found on the American continent, and perhaps in most countries of the world.

Since 1937 the mechanization of the beet sugar industry has progressed tremendously and spectacularly. Now it is possible, by the use of remarkable machinery which has been developed, to carry on almost any process in connection with the production of sugar beets almost entirely by machinery. I saw this year a number of machines being pulled along by tractors. There would be two people standing on the machine and operating it, carrying out the work of digging the beets, topping them, and dumping them into a truck being driven alongside. The machine would travel just a little faster than a team would pull a plow. Well, that is enough to show that the beet sugar industry has a wonderful future before it. It is not a thing that ought to be kicked around.

Since 1946, Mr. Speaker, Liberal government policy has permitted an enormous increase in the cost of production of beet sugar. Nevertheless sugar from sugar beets at present prices easily surpasses other staple foods in respect of comparative cost per calorie. To support this assertion may I read into the record a statement which is printed in the November 20, 1952 issue of *Sugar Facts*, which the United States congressman thought worthy of quoting. The quotation is as follows:

Sugar Is a Bargain In Our Food Budget

With the price of proteins—steaks and roasts—what it is today, Canadians have a cheap energy food in sugar. It is estimated that in Canada and

United States today, about one-fourth of the energy requirement is met through eating sugar in various forms at fire sale prices.

Scientists claim the average person uses approximately 3,000 calories per day and witness how cheaply sugar—compared to today's high prices for other foods—can supply the much needed energy.

If food is purchased on a caloric basis alone, and flavor and variety disregarded, the costs for 1,000 calories are:

	Cents
Sugar	5·2
Margarine	11·3
White bread	11·6
Butter	20·0
Bacon (rindless)	21·2
Potatoes	21·7
White milk	28·8
Cheese	30·5
Ham (whole, smoked)	53·5
Apples	56·0
Prime rib roast (rolled)	95.0

Of course purchases cannot be based on a caloric value alone, for a balanced diet of proteins, fats and carbohydrates is needed, but in terms of calories, sugar is the bargain in the budget.

Those figures seem to hew out from under them the ground upon which those men would stand who feel that we should import sugar from Cuba, because of the need to reduce sugar prices. I know that any Canadian government is likely to be under almost irresistible pressure demanding the admission of cheap cane sugar into Canada. Any Canadian government requires all the support possible to help resist such pressure.

The people of Canada, and some members of the House of Commons, will be interested to know that there are five agencies in the world today, several of them right here in Canada, that are seeking to destroy the Canadian beet sugar industry, for various reasons. First in Canada we have the owners of cane refineries. These men obviously would like to get rid of the beet sugar industry. Second, we have Canadians who have invested money in plantations in cane producing countries. There are some powerful men in both those classes. Third, there are the Canadian interests eager to sell abroad. It is easy enough, for example, for automobile or machinery manufacturers to say, "Well, bring in Cuban sugar. Let us have a chance to sell our goods abroad."

Fourth are the internationalists and world centralizers. No nation can be entirely free that is not able to produce its own needs of life. Now, there are men in the world—and if every member in the house does not know them, he ought to—who are seeking definitely to deprive nations of their sovereignty. Nothing could possibly be better designed to destroy Canada's sovereignty than to place her in a vulnerable position in respect of sugar. In case any government which internationalists might desire to control should be elected in Canada, the internationalist would say, "Now, look, you government of Canada, if you put your foot on the dotted line, you will get your sugar. But if you do not, we are not so sure about it."

That may sound grotesque; nevertheless it is real. If we do not recognize that fact and govern ourselves accordingly, our children and our children's children will suffer because of our neglect.

The fifth group are the doctrinaire unrealists enamoured of fallacious philosophies of international trade. There exists in Canada the widest diversity of opinion in respect of international trade. We have heard these opinions expressed right here on the floor of the house. We have heard extremes on both sides. Probably the extremes are wrong; but it is a very easy matter to make serious mistakes in respect of international trade and its over-all necessity and desirability. I am now making no comment on the matter, more than to say that every man in Canada and every woman in Canada will do well to review with the utmost care his philosophy of international trade, to see whether or not he or she has been making a mistake.

I have spoken this afternoon to help strengthen the hand of each minister striving to protect the Canadian beet sugar industry. I know in the present Canadian cabinet there are many ministers who realize the value of the beet sugar industry and who desire to protect it. But there are also men in the cabinet, I fear, who do not realize the value of the beet sugar industry and who do not want to protect it. I have spoken of those who desire to protect it, and I would venture the assumption that the Minister of Trade and Commerce (Mr. Howe) is among those who so desire.

At a later time I shall have something to say about other aspects of the Canadian beet sugar industry. But I submit that anyone who takes into consideration the arguments I have presented this afternoon will realize with me that it is a policy bordering on absolute lunacy to permit enough cane sugar to come into Canada, to seriously impair or possibly destroy the beet sugar industry of this country.

Mr. Laing: Would the hon. member permit a question?

Mr. Blackmore: Certainly.

Mr. Laing: Would he give us some idea of what amount of protection he thinks would be required to maintain the industry in a healthy condition?

Mr. Blackmore: In order to give a statement of that kind—and I must say it is a most discerning and worth-while question—I would have to obtain a good many figures. Probably I shall be able to give them at a future time, and place the whole thing on *Hansard* so everybody can consider the matter. I am not sure that anybody knows at the present time just how low the price of beet sugar can go without driving farmers out of the production of sugar beets. That is the important factor. If the farmers cannot make enough producing sugar beets and delivering them to the factories to encourage them in production, they will produce wheat or tobacco or soy beans or other crops.

Mr. Laing: The hon. member is convinced that some protection is necessary?

Mr. Blackmore: I am convinced that protection is necessary for the simple reason that the Cubans have brought down the price of their sugar in the Cuban market, if I recall rightly, to a point under four cents per pound. They had to do this in order to avoid the imposition of anti-dumping measures by Canada. Just imagine any industry in Canada which must produce at the high prices which have prevailed in the last year and a half, having to meet competition which is created by the conditions which prevail in Cuba at the present time! Cubans are able to produce their sugar and have it carried by water right to Toronto, Windsor and Montreal and have it dumped there. I suppose it can be carried from Cuba for less than our producers must pay to have their product transported from the factory to the consumer. Does that answer my hon. friend's question?

Mr. Roland Beaudry (St. James): Mr. Speaker, the gift of oratory is a great gift, but it should never be dilapidated in such a way as to obscure true facts or issues. When we in this house were privileged to listen to the ear-flattering utterances of the hon. member for Carleton (Mr. Drew), I am sure that I and other hon. members were inspired with greater reverence for the Creator of all things who with His usual wisdom in His munificence gives to those to whom He denies forensic ability the compensation of an added measure of patience so that we may bear with sound in order that eventually we may hope truth and fact will emerge.

On the second day of this session it was with no small degree of humility and with still more patience that we on this side listened to the opening oration of the Leader of the Opposition in the hope that this year he might say what he has never said; that he might at last firmly establish his position or his right to the potential leadership of this country. But as usual it was a forlorn hope.

When on November 24 the Leader of the Opposition went ferreting out facts and figures in the field of defence expenditures we who were here in 1949 were reminded of his ill-fated adventure in a similar field. I am sure that no one living in or about Montreal will ever forget the extraordinary statements about Canadair made by the hon. gentleman nor his no less extraordinary mishap following those accusations. That memory will condition the reception in Montreal and Quebec and throughout Canada of the latest of these sorties by the Leader of the Opposition.

I think he should be aware by now that a keen mind for haberdashery is not necessarily a criterion of great political sagacity. While his detailing of military ties, raincoats, shoes, etc. was most interesting, I am sure, to one whose mind has a bent for trivia, it could hardly be taken by this country as evidence of leadership. I fear that as usual the Progressive Conservative party in its quest for what we call in French "la petite bête" has by-passed the main issue, which is good government and leadership. The attitude of the Leader of the Opposition is somewhat akin to that of a concert conductor who forgets the general conducting of a concerto in a search for fly specks among his notes.

There may be fly specks on the defence inventory ledgers in the form of overstocking of boots, ties, forks, knives and overcoats, but they are only fly specks. Before any hon. member on the other side accuses me of considering hundreds and thousands and millions of dollars as being fly specks, let me say to hon. members that I have an honest regard and a great fondness for the dollar, and I have a very especial regard for the public dollar.

I do not consider that the unnecessary expenditure of dollars can be characterized as fly specks, but I would remind the house that the hon. gentleman has not accused this government of throwing away money. He has simply accused the government of having overstocked or stocked in excess certain of these supplies which are necessary for our present or eventual defence.

As I say, these may be fly specks in our defence ledgers, but that is not too surprising to anyone who has been connected with big business in private enterprise. In spite of all precautions to protect one's own interest, it is frequently found that ill-advised and perhaps unnecessary commitments are made. Expenditures or purchases may be entered into because of confidence in firms or individuals which may from time to time be

misplaced. But such incidents are not deprecated in private industry unless they are so serious as to compromise the success of the over-all operation. They are treated in their proper light as a minor incident in the general scheme of the operation.

If every private business were to be scrutinized by the Leader of the Opposition in the same way few if any would come out unscathed, few if any of those whom we consider our business leaders would escape. That would sound the death knell of private enterprise. The hon. gentleman would do better, I think, to concentrate his mind on the over-all picture. He would do better to bring to this house a different viewpoint, a viewpoint more appropriate to this house and I would suggest that he would do much better to leave the searching of fly specks to one or two others who have delegated unto themselves the authority for such searching. The attitude of those gentlemen, I might remind him, toward private enterprise, qualifies them much better to pass impartially on both private and public expenditures.

The hon. gentleman is absent now because of other inevitable commitments, but no doubt he is familiar with something which is along the line of what he, in public affairs recently, has been discussing. I read a headline from the Montreal *Herald* of Friday, November 28: "Gang rooks oil company for $3 million". The story inside goes on to say that one oil company in Montreal through the dishonesty of its subalterns was rooked of $3 million. The hon. gentleman will also recall the unfortunate incident which happened to one of our leading banks not very long ago. He would be inclined to agree with me, I am sure, that these things happen in private business; and they are relegated to their proper position in private business as they should be in public affairs. I am sure that none of the heads of either business will be accused or will be found guilty if they are accused of having mismanaged or misdirected the affairs which were entrusted to them.

During a speech on November 24 the hon. gentleman took it upon himself to deal with television. I do not intend to dissect here his speech on television. There will be many other opportunities and may I convey to him, and ask his followers to convey to him, the statement that I shall welcome every single opportunity. The hon. gentleman stated, as appears in *Hansard* of November 24, page 24, when dealing with television:

> This is strangely inconsistent with the decision made just two weeks ago by the government of the United Kingdom which still retains a monopoly . . .

Mr. Speaker, it may be strangely inconsistent to the Leader of the Opposition that we in this country are determined to lead Canadian affairs with some degree of inconsistency with other countries, perhaps. However, the statement by the hon. gentleman is far from being inconsistent with Conservative policy. It is not inconsistent with the manner in which too many of them too long have thought too little of self-operation in Canada. I would suggest to the Leader of the Opposition that when we do resume discussion of radio and television broadcasting he bring to this house a slightly different approach, determined in his mind that discussion is going to be allowed on the basis of Canadian things for Canada and Canada for Canadian people, not on the basis of whether our manner of conducting Canadian affairs is consistent or inconsistent with the operation of—let us call them by name—Tory governments of other countries.

Mr. Hodgson: Pull up your socks and cut out the guff.

Mr. Beaudry: I heard that four years ago from exactly the same source.

May I now deal with another of the gentlemen who sit on that side of the house, the member for Labelle (Mr. Courtemanche). On November 25 he established just how firmly he believes in Voltaire's theory "Mentez, mentez, il en restera toujours quelque chose". I refer to page 73 of *Hansard* for November 25 where amongst other things he says:

> Radio-Canada peut imposer ses programmes aux postes privés. Radio-Canada exige un permis onéreux de chaque transmetteur de postes privés...

The translation reads:

> The C.B.C. can impose its own programs on private stations. Private stations are compelled to pay costly licence fees to the C.B.C. for each of their transmitters, and the C.B.C. uses those revenues to build stations of its own that will compete with private enterprise.

Mr. Speaker, it is obvious that the hon. gentleman refers to television and radio with the contempt which can be brought only by his obvious lack of familiarity with the situation. I would say to him if he were here, and I will say to him when he and I again discuss television, that although I may not speak with the same assurance I speak with a modicum of authority. For the benefit of those gentlemen on the other side of the house who may not be aware of it, for some years I owned, operated and managed the only private network of radio stations then existing. In order to allay any possibility that hon. gentlemen might put their foot in it and accuse anyone of political favouritism, let me state that I purchased that private radio network as an operating network. The people from whom I purchased it were then known and **are still**

known, notably in one case, as recognizing politically only one liege lord, the present Leader of the Opposition.

May I say to the hon. gentleman that when one comes to this house he is not perhaps expected to be fully familiar with all that has been placed on our statute books over a period of years; but surely when discussing matters with such authority and assurance as the hon. gentleman did, and when discussing a question which the Conservative party is determined to place in an exalted position this year, the hon. gentleman should at least become cognizant of the relevant act. The hon. gentleman has stated that the Canadian Broadcasting Corporation can impose its programs upon private radio stations, but there he is so far away from the truth that one wonders if he should be accused of gross ignorance or perhaps of wandering away from the truth by habit. If the hon. gentleman has a copy of the act I would suggest that at the first opportunity, which will be either tonight or tomorrow, he quote me one line or one word from the act which authorizes him to state that the Canadian Broadcasting Corporation . . . . "peut imposer ses programmes aux postes privés" . . . . can impose its programs on private radio stations.

There is, however, one reference in section 8. The corporation may for that purpose:

(d) make operating agreements with private stations for the broadcasting of programs.

If, of course, his contention stems from the general inference that parliament can do anything then of course he is right—but only if his assertion stems from that inference—and even then perhaps he should be reminded that the inference is valueless in this discussion. It is an admitted legal principle that the only thing parliament cannot do, at least this was the example given when I attended legal schools, is to change a man into a woman. But, I understand, in at least two countries recently that has been done, so perhaps the maxim should be changed. I would suggest to the professors of law—at least in that part of the country where I live, because as you all know we have a different code of law than the rest of the country—that the simile be changed and that we now quote as an instance of the power of parliament, "The only thing parliament cannot do is to change the present crop of Conservatives into statesmen."

The hon. member having established to his own satisfaction and perhaps to no one else's that the C.B.C. can impose its programs on private radio stations—which is not true—he goes on to say that the C.B.C. yearly charges onerous fees to the private radio stations in order that it may set up stations of its own to compete with private enterprise. The hon. member for Labelle, I am afraid, uses the word "onerous" as one of the imponderable words with which he is not too familiar, and which could mean anything to him. In order to help him mathematically, if he can follow me, I shall point out to him that last year the entire revenue received by the Department of Transport to be turned over to the Canadian Broadcasting Corporation, the entire revenue collected from some 120 private radio stations in this country, amounted to $221,000. I think a simple process of very elementary division will bring us to the conclusion that the radio stations in this country operating privately paid, on the average, a sum of $1,800 a year for this privilege.

I may say this to the hon. member for Labelle before he leaves us permanently, which I am reasonably sure will be within a matter of months. Does he know why this money is collected from private radio stations? Does he know to what use that money is being put. In his own words, the fee is exacted so that the Canadian Broadcasting Corporation may extend its network of national stations in order the better to compete with private radio. I do not believe the hon. member is aware of the original purpose of this fee. Until a few years ago this fee was not payable to the Canadian Broadcasting Corporation but to the Department of Transport and was used to meet part of the expenses, not for national radio but for the upkeep of private radio; for the monitoring of private radio; for the reading of schedules of private radio, and all those things which are necessary if this country is going to supervise, as does every other country, the operations of private radio.

May I also ask the hon. gentleman this? Does he know why this money, formerly handled by the Department of Transport, is being turned over to the C.B.C.? If he does not, let me ask him one other question? Does he know that his own compatriots, the French-speaking Canadians in northern Quebec, only have radio because the C.B.C. has helped them to get it? Does he know, or is that inconsistent with the higher feelings of his party, that a group of French-speaking Canadians in northern Ontario is entirely dependent upon the C.B.C. and its association with private stations? Does he know that that is true of another segment of northern Ontario; or is he aloof to that? Does he know that a large part of those fees collected now go towards giving the French-speaking people of St. Boniface, in the province of

Manitoba, radio programs which they could not have without the C.B.C.? Is it unimportant in his eyes, sitting on that side of the house, that the payment of these fees also means that a French-language group on the fringe of Edmonton and in the south of Alberta are provided with radio in their own tongue? That is our concept of national radio. This is made possible because the C.B.C., despite the hon. member for Labelle and the hon. member for Carleton (Mr. Drew), collects from each of 120 private radio stations an average of $1,800 a year.

Much has been said, Mr. Speaker, on the subject of radio and television. I repeat that there will be other opportunities to discuss these questions, and I repeat that I shall welcome every single one of them. As usual, consistent with the true philosophy and true mores of the Progressive Conservative party, they believe that in everything the principle should be by-passed for the exception, the truth for the half truth or even a lesser part. I feel sorry for the hon. member for Labelle. I feel sorry because he failed to bring with him into this house the only sword with which he should have girded his loins, the sword of truth. He preferred to fill his scabbard with split hairs in the hope that one would be suddenly transmuted into a weapon which he could wield in defence of private radio.

I have taken more time than I intended, Mr. Speaker, but may I conclude with this. From time to time I have meetings with a friend of mine, an ancient Asiatic philosopher who deigns to impart to this undeserving one some of his Chinese philosophy. May I commend to the Leader of the Opposition and his party this fable, divested of its native garb and shorn of its oriental embellishments. "Time is like all commodities, cheap to him who has it in abundance but so precious to him who uses it to the hilt. The wise man, wishing to determine whether it is day or night, is content with looking at the sun; but the foolish man would rather ignore the sun the better to watch the sweep hand of the clock." In this country most of us are content to be guided by the sun. The clock watching, the sweep hand watching of the Conservative party, can only earn its leader and itself one lone degree. I take a great deal of pleasure in conferring upon the Leader of the Opposition and his party a degree—given I am sure with the best wishes of the majority of this house who join in the accolade to the leader of the Conservative party, who has earned it during the last three years in this house and by his opening speech on November 24—the degree of master of trivia. In view of his exalted position, I should add *summa cum ignominia.*

Mr. Speaker: I had been out of the chair for a short time, and upon returning to the chair, I understood the hon. member to question the veracity of another hon. member. I hope I was not correct in that, but if he said another hon. member was deliberately not telling the truth or saying certain things which he knew to be untrue, then of course I cannot allow that statement to stand. I think the hon. member should clear up that question.

Mr. Beaudry: Mr. Speaker, I have too much respect for the Chair ever to allow myself to say of another member that he never spoke the truth.

An hon. Member: That is what you said.

Mr. Beaudry: Mr. Speaker, once *Hansard* is printed I will tender the proper apologies, if necessary.

Mr. Speaker: I do not think I should leave the matter at that. If the hon. member suggested that another hon. member was not telling the truth in any matter, knowing it to be false, then I would ask him to withdraw the statement now.

Mr. Beaudry: Mr. Speaker, I think I said he was far from the truth; but if the Chair construed that I said what has been indicated, then I withdraw.

Mr. Speaker: I do not propose to prove anything. I think I should clear up the matter now. It is not wise to allow these matters to stand over. If the hon. member made a statement about another hon. member to the effect that the hon. member was saying things which he knew were not true, I would ask him to withdraw that statement now.

Mr. Beaudry: I was speaking extemporaneously. My memory may be bad. But if I did—

Some hon. Members: Withdraw.

Mr. Speaker: Order. I cannot hear the hon. member when there are so many interruptions.

Mr. Beaudry: If I made the statement, unwillingly and unwittingly, I withdraw it.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. J. A. Charlton (Brant-Wentworth): I should like to add my congratulations to those of the previous speakers to the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the

speech from the throne. I should also like to congratulate the Minister of Fisheries (Mr. Sinclair) and the Solicitor General (Mr. Campney) on being elevated to cabinet positions. I do not mean to refer to the speech of the hon. member who spoke just previous to the dinner hour other than to say it is rather unfortunate that the hon. member for St. James (Mr. Beaudry) does not visit us more often.

The throne speech unfortunately offers nothing to eastern farmers. Since becoming a member of this House of Commons I have tried to impress upon the government the importance of agriculture to the nation. Everything which detracts from the economic position of the farmer must eventually reflect on the national economy. The effect that is being felt now in industry and in urban municipalities is obvious from several quarters. The income of the average 100-acre farm will be reduced this year by approximately $1,000. In other words every farmer has taken a $1,000 cut in wages, or approximately $20 a week. In spite of that fact, the prices of the products the farmer has to buy have gone up. Can you imagine the howl that would be put up in this House of Commons if we as members were asked to take a reduction of $1,000 in our indemnities? Farmers in general, but particularly those adjacent to urban municipalities, are being taxed off their farms. Land alone should not be expected to bear such a high proportion of the taxation burden. There must be some incentive at least to keep people who are on the land at the present time interested, if we want food.

The farmers' buying power is an important factor in any community. That buying power has been reduced by a considerable amount this year, and farmers are wondering just what the future holds for them. They are becoming more cost-conscious every year, and are dropping the non-paying branches of the industry. There are those who wonder whether the dairy cow is headed for oblivion, just as the work horse is an historic monument of the past.

We cannot expect any industry in this country to survive if it is forced to compete with the cheaper labour of another land. This government is forcing two of the greatest industries in this country out of business through an apparent lack of interest in their problems. I refer to the textile and dairy industries and I mention them jointly because they are faced with an identical problem, that of unbearable competition from lower wage-rate countries.

We are fighting a desperate and costly battle against communism which we call a cold war. Our most devastating weapon in this fight is truth. With it we can build the strength of the democratic nations and undermine that of our enemies. We in the opposition are seeking the truth. The government hedges, and hedging is the mother of suspicion and distrust. The Canadian people are carrying a terrific burden of overtaxation. They are ready and willing to pay their fair share, and know that defence expenditures are necessary in these troubled times. But are we getting value for our money?

We as individuals are forced to cut our costs and increase the efficiency of our operations. Why can't the government? People ask me why the Department of National Defence bought ten pairs of shoes per man, when most of us are lucky if we have two pairs, or why it is necessary to have 12 neckties per man and three serving forks for every five men in the service. If a housewife ever bought for her family in the same proportion little Jimmy would have to do without shirts to pay for the neckties, and the Sunday roast would have to be cancelled to pay for the forks to serve it.

I am sure everyone in this country, especially the government, was glad to see the recent announcement in the press regarding the lifting of the United States embargo on livestock and hay. During the past nine months the meat packers of this country have enjoyed the proverbial Roman holiday. I commend the government for the idea of floor prices on beef and pork, but I must criticize them severely for the administration of that policy. Suggested prices to producers have certainly not been maintained on the lower grades, and prices to consumers on the same grades have not dropped by anywhere near the same proportions. In other words the producer has been left at the mercy of the packer, and the consumer has not received the benefit.

Another serious problem for farmers today is the livestock feed situation. While the western producer naturally wants to get a fair price for his grain, the eastern feeder can afford to pay only a price that will give a fair return when the finished product is marketed. On previous occasions in this house I have given the spread between the western producer and the eastern feeder. I was disappointed this afternoon when the hon. member for Provencher (Mr. Jutras) was speaking. I thought he was going to delve further into that matter, but apparently he did not want to. According to an article in the Canadian Federation of Agriculture news

information bulletin of October, 1952, Dr. E. C. Hope, economist for that organization, reveals the spread on No. 1 feed oats at 38·3 cents a bushel, or $1.13 a hundredweight, and on No. 1 feed barley, 52·6 cents a bushel, or $1.09 a hundredweight. If the government, through its wheat board, cannot find some solution to this problem, then it should step aside and let farmer organizations handle the problem of feed grain between western producer and eastern feeder without any strings attached to it.

The government, finally realizing the importance of our water resources, is considering some measures of conservation. I take a great pride, Mr. Speaker, in the fact that those along the Grand river have been the first to pioneer water conservation and flood control. The organization now known as the Grand valley conservation authority is to be congratulated on its accomplishments, and I sincerely hope that this government will contribute their share toward the Conestogo project which was passed upon and accepted by the provincial government some time ago.

I have said on several occasions in this house that rural mail carriers have been grossly underpaid. The government has finally decided to do something to correct this injustice, but I will withhold further comment until it is known what the proposal is.

I am sure all hon. members have received the memorandum prepared jointly by the Canadian National Institute for the Blind and the Canadian Council of the Blind with reference to the elimination of the means test in the Blind Persons Act of Canada. I support that request, and I most sincerely hope the government will this session bring down the required legislation to eliminate this embarrassing means test.

The throne speech mentions a bill which will be introduced to place the historic sites and monuments board of Canada on a statutory basis. We in Brant are very proud of our forefathers and the part they played in the development of our country. The triennial conference of the Associated Countrywomen of the World with a membership of six million in 25 different countries will meet in Toronto in August, 1953. The chief aim of this organization is to improve rural conditions in all parts of the world. This conference has a special significance to members of the women's institutes in the riding which I represent. Last June when we allotted money to this association in our government estimates I made mention of this fact. It was in this district that Adelaide Hunter Hoodless, founder of the now world-wide organization, was born and attended public school. The white frame house, her birthplace, still stands in our community. Little did anyone dream that this child would be the founder of an organization which has done so much for rural women and their respective communities.

We also had the distinction of having a cairn marking Mrs. Hoodless' birthplace erected in the district and unveiled by Lady Tweedsmuir in 1937. It is situated in a small park at the junction of highways 5 and 24. Funds for its erection were raised by the women's institutes of Brant county. In the 1947-49 Tweedsmuir historical competition, St. George won first place in Ontario. In 1949-51 competition, Glen Morris won first in Ontario and second in the dominion competition. As a matter of fact, the right hon. Prime Minister (Mr. St. Laurent) and the Secretary of State (Mr. Bradley) were present in 1950 when an oil painting of Mrs. Hoodless, presented to Canada by the federated women's institutes of Ontario, was unveiled and hung in the archives by Mrs. Raymond Sayre from the United States, then president of the Associated Countrywomen of the World.

In view of the fact that the conference of the Associated Countrywomen of the World is to be held in Toronto next year, and delegates from many countries will be visiting this cairn and the birthplace of Mrs. Hoodless, I would sincerely hope that the historic sites and monuments board would see fit to suitably mark this cairn before the date of the conference.

On several previous occasions I have asked the government, through the historic sites and monuments board, to aid in some suitable way the council of the Six Nations reservation in the restoration and preservation of Chiefswood, birthplace of Pauline Johnson, well-known and gifted Indian poetess. Chiefswood was built over one hundred years ago, and if restored could be made into one of the greatest tourist attractions along the Grand river. Many distinguished visitors from England, Europe and America have been entertained there by Chief Johnson and his English bride, Emily Howells. From Chiefswood, Pauline Johnson became a national figure and her memory will ever remain in the hearts of those who knew her.

I also mentioned on previous occasions the Mohawk chapel, properly known as St. Paul's, His Majesty's Chapel of the Mohawks. This little church was built in 1780 for the Mohawk people who emigrated from New York to Canada during the war of independence, and is the oldest Protestant church in Upper Canada. Contained in this church is a stained leather bible and a silver communion set,

both gifts of Queen Anne of England to the Mohawks, and carried by them during the war of independence from the old church at Fort Hunter in New York to be buried under a tree more than five years and borne north into safety at the conclusion of the war. Behind the altar in letters of gold are written the apostles' creed, the ten commandments and the Lord's prayer, all in the Indian language. To the left of the altar is one of the finest coats of arms in Canada, carved from a single block of oak and presented to the Indians by King George III.

I would be very remiss if I did not mention also the West Dumfries chapel built in 1845, commonly known as the Paris Plains church. For many years this old historic spot was not in use, but in 1948 interested citizens formed the Paris Plains restoration committee and have had the building restored as a memorial to the early pioneers of the district. Each year on the second Sunday in June a memorial outdoor church service is held.

I urge again the importance of restoring and marking such historic landmarks so they may stand as memorials to be seen and revered by future generations.

I realize, Mr. Speaker, that when a member of this house recommends that consideration be given to certain necessary action, this involves the expenditure of public money. The expenditure of public money is made possible by taxation. Taxation in this country is at an unwarranted high level at present and should be reduced.

I sincerely believe, Mr. Speaker, that a firm determination by those in authority to eradicate waste and extravagance in governmental administration would not only make possible many essential services, but allow as well for necessary tax reductions in this country.

Mr. O. L. Jones (Yale): Mr. Speaker, I rise to support the amendment to the amendment moved by the C.C.F. Before doing so, however, there are one or two other comments I should like to make.

According to an answer given to a question asked in the house this week it would appear that at last the government has consented to purchase apple juice for the armed services. This is most gratifying to the processors of that excellent product, who have worked so hard in its production. It will also help the growers to recover some income from fruit that would be lost unless processed. I am pleased personally because nearly a year ago I brought to the attention of the house the fact that only imported juices were consumed by the armed forces, and that apple juice was excluded completely.

While this matter has reached a satisfactory conclusion, the fruit and vegetable growers of interior British Columbia still have several problems I should like to bring to the attention of the house. Tonight I shall deal briefly with only one of them, and that is the unfair competition offered by United States soft fruits and vegetables in our domestic market.

This situation is present across Canada, but it is particularly vicious in British Columbia. The extent of this market loss can be gauged by an article which appeared in *Country Life*, which is a monthly publication issued to the farmers of British Columbia and to my mind is one of the best dealing with farm and vegetable production in the Dominion of Canada. I take this publication as an authority on what they have to say about this particular market which has been lost.

The article reads:

> It is hard to understand in a province capable of growing the widest diversity of the finest fruits and vegetables we yet continue to consume annually $3 million worth of vegetables imported from another country while only eating $2 million worth of our own B.C. grown vegetables. This would not be so if consumers knew of the relative nutritional values. It is an incongruous situation with some wholesalers importing foreign vegetables for your table at a time when the same produce grown in British Columbia is available. This can only be corrected by you, the consumer. When buying fresh vegetables insist on B.C. produce only.

If that condition exists generally across Canada it will mean a market loss running into many millions of dollars for our domestically produced vegetables and soft fruits. I agree to a certain extent with the article when it says that consumers can help, but the remedy is not there. The remedy must be brought about by government action.

This year soft fruits and vegetables were left on the trees and on the ground of the Okanagan valley because of a lack of markets. This applied particularly to prunes, peaches, and cabbages and other vegetables. I know of one veteran who was rather proud of an acre of cabbages which he had grown, but he was not able to sell a single cabbage on the market because it was filled already with cabbages that had been brought in from across the line. One grower went to Yakima to find out what the trouble was and he spoke to me on his return. He went to a packing house there where they were putting up tomatoes. Apparently the system has been changed in the United States because they now have a No. 1 grade and a No. 2 grade of tomatoes. This grower examined both grades and could not find one shade of difference. No. 1 was selling at $110 per ton and was practically all sold on the United States domestic market. No. 2 was listed at $55 per ton, but this grade was mostly in

storage. He inquired who purchased the No. 2 and he was told that although one or two cars had been sent to Seattle, the bulk was sent to the Canadian market.

It is true that they are offered for sale in small quantities, but probably the dealers in the United States are told, "we have none left." However, he was told that one or two cars had been sent to Seattle. This would conform with the dumping regulations which requires that they must be offered for sale in the country of origin at the price they are offered in Canada. In this case the price was one-half the price being asked for the No. 1 tomatoes and, as I pointed out, there was no discernible difference in the two grades.

The difficulty we are faced with is that our earliest crop comes on the market when the second or a later United States crop is also coming on the market. This is usually more plentiful and available at lower prices. This is a rather serious difficulty because there are many veterans who are going in for fruit growing who will have to wait five, six or eight years until their fruit trees are bearing. In the meantime they are trying to earn a livelihood by growing vegetables between the trees. They are being victimized because of these importations of competitive vegetables from the United States. For their sake and for the sake of other soft fruit and vegetable growers I ask the Department of Agriculture to investigate the situation.

I have not time to go into the details, but I do suggest that the situation be investigated at once and that steps be taken to protect our domestic market especially during the period when the market can be well and amply supplied by home-grown fruits and vegetables. A situation such as that described by *Country Life*, where the British Columbia market of $5 million is being shared on the basis of the domestic producer getting $2 million of it while our competitive neighbours to the south capture $3 million, is not healthy. That is why I appeal to the government for an early investigation with a view to taking steps to correct the situation before next year. There will be plenty of time, and I would be willing to give evidence as to what I claim is unfair competition brought about by the heavier crops produced in the United States.

I should like to deal now with the subject matter of our subamendment. Previous speakers, particularly Liberal speakers, have emphasized that before a national health plan can be entertained a good deal of ground work will have to be done, and they claim that this ground work is being done. Possibly part of that claim is correct, but I do feel that there is a branch of ground work that has been neglected, and I should like to deal briefly with it tonight.

One of the problems facing the Canadian people which the C.C.F. believes can be met successfully by the introduction of health insurance is a serious shortage of doctors, dentists, nurses and other health personnel as well as a shortage of hospitals and hospital facilities. My colleague the hon. member for Saskatoon (Mr. Knight) has dealt with the question of hospital shortages and some of the aspects of the nursing shortage, but I should like to deal particularly with the question of doctors and dentists.

By an authoritative standard, Canada is extremely short of doctors and the shortage of dentists is alarming. Furthermore the shortage is getting worse rather than better. The health grants program was designed primarily to overcome these shortages, but it has made almost no attempt to deal with the shortages in the fields that I have mentioned. According to an authoritative United States study which has been widely accepted in this country there should be one physician for every 704 persons. On this basis we should have had in Canada in 1951 a total of 19,904 physicians for our population of 14,009,429, whereas we had only 14,325 physicians. There was a shortage in that census year of 5,579 physicians in our country. If Canada is to reach an acceptable standard there must be an increase of more than 50 per cent in the number of doctors in this country.

What is actually happening? The situation since the end of the war has been getting worse rather than better. The population has been growing at a faster rate than the number of doctors. Thus in 1947 there was one active physician for every 938 people, but by 1951 the population per physician had gone up to 978.

The same alarming trend is noted with respect to dentists. There has been some increase in the number of dentists since the end of the war, but it has not nearly kept pace with the increase in population. In 1947 there was one dentist for every 2,729 people in Canada. In 1951 there was only one dentist for every 3,040 people. Thus the shortage of dentists in relation to the population has grown worse by more than 10 per cent in the four-year period. This deterioration in the supply of dentists in relation to the population is even more striking when it is examined in the light of acceptable standards. In 1943 there was one dentist for every 669 people in Canada's armed forces. If it is assumed that the civilian population should have at least as good care as was provided for members of the armed services this would have meant, on the basis of the

1951 population, a total of 20,940 dentists; but we actually had in that year only 4,608 dentists. Thus, the shortage of dentists in 1951 was 16,332. To reach the standard I have referred to would require almost a 400 per cent increase in the number of dentists.

This general shortage of doctors and dentists screens the fact, however, that the actual shortage in many of the more remote areas is far more acute and that a much higher percentage of doctors, dentists, and medical specialists is concentrated in the large cities. In 1949, 71·2 per cent of all physicians in Canada were located in urban centres of 10,000 and more population, but only 45·7 per cent of Canada's people resided in these cities. On December 1, 1946, 72 per cent of the dentists were located in urban centres of 10,000 population or more.

The reason for this maldistribution is not hard to find. Practice in the smaller centres is not so convenient as it is in the city. Facilities are inadequate. The income is lower and the social and cultural life is less attractive. But it is quite clear that if medical and dental training were made more readily available, if the hospital and research facilities were improved in rural areas, as they would be if a nation-wide health services plan were set up, many more young doctors would be attracted to service in rural areas.

We cannot overcome the shortages of dentists and doctors with our present facilities. There are only ten schools in Canada which offer complete medical courses and these are constantly overcrowded. We boast only five dental colleges. Clearly the training facilities have to be expanded, and this will mean federal financial assistance. Furthermore, it is a well known fact that the tuition fees at medical colleges and dental schools are very high. They are beyond the reach of the average Canadian student or his family. In 1946 the Canadian association of medical students and internes conducted a survey of the financial background of medical students. They found that the largest percentage of medical students came from the families which had the highest incomes; 28·6 per cent came from professional families but these families represented only 4·7 per cent of the total population. Only 12·2 per cent of the medical students came from Canada's farms where 36·5 per cent of the total population live. This survey further revealed that 7·3 per cent of the students polled were going through medical college entirely on their own resources. Three-quarters of them, 74·5 per cent, relied on their families as well as their own earnings, and 17·5 per cent were going through entirely at their families' expense. Nearly half were required to pay back their families after graduation.

Add to these economic difficulties the fact that medical school fees have more than doubled since 1925. In that year the average annual fee was $185; in 1945 it was $317; and in 1951 it was about $438. Dental college fees have climbed from approximately $293 in 1945 to about $385 in 1951. These fees are over and above what it costs the students to live during their courses and what it costs them for clothing and other expenses. The need for expanded training facilities and for a system of medical scholarships is self-evident. Not only is there a need for federal scholarships and bursaries for medical and dental students, but there is a need for special assistance to students who will undertake to practise in rural areas for a given number of years following graduation.

As I have said, the inauguration of health insurance itself, in addition to the particular measures I have just indicated, will do a great deal toward overcoming these shortages of personnel. This is made very clear in the Saskatchewan health survey report, "The Expanding Hospital System."

> The continuing development of the hospitals of the province, with emphasis on district and regional as well as on the base hospitals, should have some influence in attracting physicians to areas outside the large urban centres. By placing emphasis on larger district hospitals, a number of advantages are obtained. The larger hospital can be more adequately equipped, it is better able to hold qualified technical and nursing personnel, and, with sufficient beds for more than one doctor, it helps to overcome the feeling of professional isolation. All of these factors operate to provide a better medical service for patients. As the national conference on rural health of the American Medical Association reported: "We do not want poor medical service made more available. Convenience is of secondary importance."
>
> That the extension of the principle of prepayment has a favourable influence on the number and distribution of physicians has been shown by the experience of the municipal doctor plans and by the Swift Current medical care program.

Thus it will be seen that Saskatchewan's progress in hospital and health insurance is helping that province to overcome its very serious shortage of medical personnel. In one field, that of mental health, Saskatchewan has received rare praise. The world famous psychiatrist, Dr. Carl Menninger of the Menninger clinic, Topeka, Kansas, stated on September 20, 1951, a little over a year ago, that Saskatchewan was "the only area in the world that has all the competent psychiatrists it needs." He said that the psychiatric aid training program being carried out in Saskatchewan was the envy of the world and was being copied by others.

In the United Kingdom a very substantial effort has been made, as part of the national health service introduced in 1948, to overcome the shortage of doctors and dentists. In

1950, the latest date for which statistics are available, government grants were assisting some 3,178 students in medicine in the United Kingdom and 915 students in dentistry.

Mr. Fulton: What universities are they attending?

Mr. Jones: Practically all the universities. I can give you the names if you wish.

Another shortage that will hold up any national health plan, and which has to be overcome before you can consider it, is the shortage of nurses. This problem has been with us for many years. In fact as early as 1920 the following mention of this situation was placed on the minutes of the dominion conference on child welfare held in Ottawa on October 19 and 20 of that year:

> Whereas there is a great shortage of trained and untrained nurses for the care of the sick and for public health work in the Dominion of Canada.
>
> And whereas there is an increasing shortage of applicants to nurse training schools all over the continent—

Various attempts have been made to measure the shortage of nurses. According to authorities, one rough guide is that there should be in hospitals one trained nurse, including the superintendent and supervisors, for every two patients. Using this guide for 1950, the latest year for which statistics are available, we find that there was an average of 53,300 patients in Canadian hospitals every day in that year. Thus, according to the rule, there should have been approximately 26,600 trained nurses, but actually there were only 14,900. In other words there was a shortage of 11,700 graduate nurses in our hospitals. But this is not the only place where the shortage of nurses is felt. Another measure, according to public health standards, is that there should be one nurse for every 280 population. If this standard were applied in Canada we should have had 53,880 practising graduate nurses in 1951, whereas according to the census we had only 35,138, a shortage of 18,742.

What is being done to meet these shortages? While the government, through its health grants program, has made some attempt to overcome the hospital shortage—although as I have indicated it is an exceedingly feeble attempt and will very likely fail in its five-year objective—there has been almost no effort at all to overcome the general shortage of nurses. There is no specific grant for assisting the training of nurses generally. Some money has been made available for assisting in the training of public health nurses, but this is only a small fraction of the problem. No concerted attempt has been made by the federal government to overcome the general shortage of nurses. Thus it is stated in one of the government's own reports:

> It is extremely doubtful that at current rates of output of graduate nurses the present shortage of nurses will be overcome.

The government has admitted that the health grants program is not going to overcome the shortage of nurses. Referring to the professional training grant, the data prepared by the Department of National Health and Welfare for the 57th meeting of the dominion council of health stated:

> However, professional training under the health grants has, for the most part, been specialized training or refresher courses for graduate nurses and has improved the quality of nursing service provided. It has not been a factor in increasing the number of undergraduate and practical nurses in training.

I think that before solutions to the problem are proposed we should examine the reasons for the nursing shortage. Again let me quote the government memorandum:

> Perhaps the most basic cause of the problem in hospital nurse education is economic in character and deeply rooted. Hospitals in Canada have always faced difficulties in meeting financial needs. In the 1870's hospitals instituted schools of nursing with the view to the function of providing nursing to hospital patients as well as education for nurses. Down through the years, the economic advantages of making large scale use of student services were apparent and it became difficult to see where nursing for the student ended and education began.
>
> The Canadian Nurses Association listed the main reasons for this high rate of student wastage as follows: (a) physical fatigue induced by the hurry and tension in overcrowded, understaffed, wards; (b) excessively long working day; (c) imposition of duties they are not sufficiently mature to assume; (d) imposition of duties which should be assigned to domestic workers.

It is clear that the education of student nurses leaves much to be desired. Economic disadvantages, coupled with the unsatisfactory working conditions referred to by the Canadian Nurses Association, are important reasons why such a large number of girls who begin training as nurses drop out before their training is completed.

Briefly, to recapitulate what I have said, I think one of the first steps the government has to take is to establish subsidies for schools or some form of assistance for training nurses to overcome the present shortage, and to train them in public health work for the inauguration of a national health plan. As far as student nurses are concerned, the C.C.F. suggests that recognized schools of nursing could be subsidized so they do not have to use students for work in the hospitals as the major means of deferring the costs of their tuition.

As I have said before, the inauguration of a health insurance plan itself will place all hospitals in a better financial position,

including hospitals which operate schools of nursing, and this will in itself be a major factor in permitting them to provide better facilities for student nurses. In addition to this, however, subsidies are necessary to permit remuneration to student nurses, as well as better conditions and training facilities.

Hon. George Prudham (Minister of Mines and Technical Surveys): I wish first of all, Mr. Speaker, to add my congratulations to those of previous speakers in commending the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne, for their splendid performance. They were a credit to themselves, and they are worthy additions to this house.

The hon. member from Ottawa who represents the Peace River constituency (Mr. Low) was generous enough to refer to me recently as "the minister from Edmonton". As the elected member for Edmonton West I share with the hon. member for Edmonton East (Mr. Macdonald) the honour of representing one of the most progressive and ambitious cities on the continent. We are proud of the fact that Edmonton is the centre of the greatest oil development activity in Canada. Although Edmonton shares with Calgary some of the business, and especially the investment end of the oil business, the Edmonton area produces most of the oil. Great new industries, including important petrochemical industries, are coming into being as a result of the oil.

Another claim to distinction is the Edmonton Eskimos football club, which emerged from the current season as champions of western Canada and went into the final Grey Cup competition with distinction and ability.

I had the pleasure recently of attending a meeting in northern Alberta, to which the hon. member from Ottawa who represents the Peace River constituency has made reference. At that gathering I had the pleasure of meeting approximately 250 fine, intelligent people, as able and as well informed as any representative group that could be gathered together any place in Canada. Because these people are at present represented by a member who has never lived in that constituency, and who now lives in Ottawa—

Mr. Low: Where does your leader live?

Mr. Prudham: —do not let it be thought for a moment that the district does not possess people capable enough to represent it in parliament.

Mr. Low: Where does the minister live?

[Mr. Jones.]

Mr. Prudham: I live in Edmonton.

Mr. Low: Oh, no, you do not.

Mr. Prudham: This is no reflection on the hon. member from Ottawa who represents Peace River.

Mr. Low: Why try to make it one, then?

Mr. Prudham: The people of that district are becoming very much aware of the fact that they should have a member of their own community representing them. This is no reflection on the hon. member from Ottawa who tries to speak for them in this house. Peace River is too important a constituency to be represented by a person who does not live in that constituency. The leader of the Social Credit group has described my recent visit to the Peace river area as a casual one.

Mr. Fulton: The Minister of Fisheries (Mr. Sinclair) just found that out.

Mr. Prudham: During the last ten years, in the course of my business activities, I have spent a great deal of time in the Peace river district. My contacts with the Peace river country, at first hand, have been more varied and extensive than those of the member who happens to represent Peace River in this house.

In this great empire to the north of Edmonton, totalling about 80,000 square miles, we have a fertile and prosperous farming district much larger than England. The Peace river country is one of Canada's most productive areas, bringing into existence every year prodigious amounts of new wealth. This year alone the grain crop in the Peace river area is estimated at 36 million bushels.

Mr. Johnston: When is the election going to be?

Mr. Prudham: There are still large tracts of land awaiting suitable opportunities for large-scale agricultural development. What the Peace river area needs more than anything else is people. The opportunities are there but without a large enough population to take advantage of them. If the many thousands of immigrants coming to Canada would proceed to the empire of the Peace river, they would find there not only their livelihood but prosperity as well. My colleague the Minister of Citizenship and Immigration (Mr. Harris) informed me this morning that his department had made provision to advance the cost of the fares beyond Winnipeg for people who are prepared to work.

The Peace river district, as well as being an agricultural area, has been endowed with large resources of timber. I am sorry to say that these timber resources are being depleted at a fast rate with little or no evidence of any effort by the provincial government to do any careful planning or to put into effect any conservation or reforestation measures.

Mr. Low: That is entirely contrary to the facts.

The Acting Speaker (Mr. Robinson): Order.

Mr. Prudham: One place in Alberta where conservation is being practised is on the important eastern slopes of the Rockies where under a federal-provincial arrangement a splendid timber and water conservation program is being carried out. In this case, under the joint agreement, the federal government is contributing the major share of the required funds, close to $4 million to date.

Mr. Johnston: What percentage do they contribute?

Mr. Prudham: In recent years there have been important discoveries of gas and oil in the Peace river district. I plan to show later on in my remarks how the federal government has aided and participated in this mineral development.

Mr. Fulton: It is nothing like the gas that has been discovered in Edmonton in the last few minutes.

Some hon. Members: Oh, oh.

Mr. Prudham: The provincial government, in its wisdom, has allocated a portion of this gas to be exported. With the development of the Northwest Territories and the building of the Mackenzie highway, the towns of the areas have become important distributing centres. The Alaska highway, owned and maintained by the federal government, is now one of the finest highways on the continent. It stretches from Dawson Creek, B.C., to Alaska. But the full value of this highway cannot be realized as yet because the connecting provincial roads through the Peace river area are far from being adequate. The British Columbia government has recently completed a highway connection from the Peace river district to the Pacific coast, which is just the first step toward—

Mr. Fulton: Will you say that again?

Mr. Prudham: —meeting the needs of the district for adequate transportation outlets.

Mr. Fulton: I think the hon. member had better get somebody who knows the facts to write his speech.

Mr. Prudham: I wrote the speech.

Mr. Fulton: You had better learn the facts.

An hon. Member: It is some way to read it.

The Acting Speaker (Mr. Robinson): Order.

Mr. Prudham: The British Columbia government has opened a highway, and the people of the district look forward to the day when they can have rail transportation to the coast.

Mr. Low: Hear, hear. They have been looking for it for 35 years under Liberal promises.

Mr. Prudham: Spokesmen for the Social Credit party often make an effort to leave the impression that their party is especially endowed with the attributes of Christianity.

Mr. Fulton: I am strictly neutral.

Mr. Prudham: I want to say that the Social Credit party has no monopoly on Christianity. These people who are always so eager to label themselves as the "Christian party of Canada" are equally fond of indulging in criticism of government policy that is often distorted, misleading and altogether unfair.

I want to deal with some subjects that provide examples of the sort of thing I have mentioned. From time to time Social Credit speakers, possibly in a light-hearted manner, have claimed that Providence delayed the recent discovery of gas and oil until a good Christian party came along to develop them. I feel it should also be said that a great deal of Christian hard work and planning had been applied to the development of Alberta's natural resources long before Social Credit was thought of. The recent oil and gas development would not have been possible but for the federal geological surveys and studies as well as the production of federal maps ever since 1873.

From that time to the present there have been, on a yearly average, eight federal geological parties operating in what is now the province of Alberta. In addition the federal government has surveyed by air some 15,000 square miles in the province. The information gathered in this way has provided a reliable basis on which exploration for mineral wealth, including oil and gas, could be carried on. Evidence of this is shown by the fact that the department of mines and minerals of Alberta ordered 5,000 copies of the 1950 federal geological map of Alberta as soon as it was off the press.

Several hundred reports and maps directly related to possible deposits of petroleum and natural gas have been compiled and published by the Department of Mines and Technical Surveys. These federal government publications have been of the greatest practical

use and benefit to private companies. They were the basic reason, in many cases, why many of these companies persisted in their search. The results of this research and effort are now well recognized. Oil and gas fields of first grade importance have been developed in Alberta. This development in Alberta was no accident. It was made possible only because the region was thoroughly surveyed and mapped.

The Canadian petroleum industry still looks to the federal survey for further geological work and is guided by its findings in planning exploration programs. Geological mapping has led private enterprise to productive areas in Alberta such as Pincher Creek, Jumping Pound, Sullivan creek, Brazeau and others.

In addition, the geological survey of my department has collected 1½ million drill samples, representing more than 15 million feet of drilling. These samples are studied and correlated and the information is made available to the industry. Incidentally, the government of Alberta over the past year has charged the federal government in excess of $10,000 in connection with the supply of these samples.

I should like to say a few words on the subject of coal. The hon. member for Red Deer (Mr. Shaw), speaking on the coal board estimates last session, expressed fear that everything possible was not being done, by subvention and otherwise, to keep the coal industry of this country in a healthy state in order to meet any national emergency that might develop. As the minister responsible to parliament for the dominion coal board I should like to draw attention to the extent to which the coal industry of Canada has been assisted by federal policy.

The subvention policy has been in effect since 1923, almost 30 years. Last year the rate of subvention assistance to western mines was increased when the railways decided to raise their flat rate on the eastward movement of Canadian coal.

The Department of Mines and Technical Surveys has been assisting the coal industry in a number of ways. The department maintains an office in Calgary from which field representatives work with mine operators on coal preparation problems and improvement in coal-mining methods. In co-operation with McGill university the department is also assisting with the Mordell project. This is an experiment, under Professor Mordell's direction, toward the development of a coal-fired gas turbine engine. If it is successful, the coal industry will be helped substantially. Up until the end of the present fiscal year the federal government will have assisted this project to the extent of $200,000.

On the other hand, so far as the coal industry is concerned, in my opinion the Alberta government, though it has collected large sums in royalties, has done little to assist the industry in a practical way. Actually a total of over $6 million in royalties, fees, rentals and mineral taxes has been collected by the Social Credit government from coal mines in Alberta since it came into office. I want to make it quite clear, however, that the Alberta research council, within the scope of its limited facilities, has co-operated at all times with federal agencies. The relations between the scientists of the council and the scientists of the Department of Mines and Technical Surveys have always been most cordial and mutually helpful.

During the course of this parliament, Social Credit members have referred to the Alberta tar sands. On May 1 of this year, the hon. member for Bow River (Mr. Johnston), in dealing with the subject, made the following observation as reported at page 1768 of *Hansard*:

> We remember that during the war the federal government spent around $5 million by way of investments in the tar sands of Alberta. The work done by the federal government was absolutely of no use.
>
> The development carried out by the federal government in connection with the tar sands, from away back in 1914 up to the present time, is very little, compared with what has been done by the province, and when compared with the progress the province has made since the federal government burned up that plant at Fort McMurray.

In fairness to the facts of the situation I propose to give a brief résumé of the tar sands developments. These sands, located in northern Alberta, consist of heavy oil and sand particles and in that state commercial use is difficult. The first step was to find areas where the deposits were of a sufficiently high oil content to be commercially workable. After years of preliminary surface exploration by members of the mines branch, the federal government in 1942 began an intensive search for such deposits. This work, which entailed development of a special core recovery method, led to the discovery of better grade sands in the Fort McMurray district. By means of drilling, the Department of Mines and Technical Surveys proved that in an area of four and a half square miles there are deposits of oil estimated at 900 million barrels. That is sufficient, they tell me, to keep a 20,000 barrel a day refinery in operation for a hundred years.

The second step was to develop an efficient method of separating the heavy oil from the sands, and a field process of transforming it into pipe-line crude. There was also the

problem of removing the sulphur content. Federal scientists and engineers joined forces with Abasand Oils Limited to obtain a process for the economic extraction of bitumen from the sands. At this company's plant, rebuilt with federal aid, tests were made of the McClave hot water process of separation. When the plant was accidentally destroyed by fire in 1945 as the result of a spark from a welder's torch, work which had been started on a cold water process was further developed in a pilot plant set up at the mines branch in Ottawa. This plant was also used to develop means for reducing heavy oil to pipe-line crude. The results of these experiments were at all times made available to the Alberta government.

I am not discounting the activities of the provincial government, but it is time the federal government received credit for its large share in these developments.

Studies are being concentrated at the present time on the removal of sulphur from the oil, which would otherwise be very corrosive and unacceptable. This was recognized as one of the crucial problems in utilizing the oil in the report prepared by S. M. Blair, the technical consultant employed by the Alberta government. During the current year the mines branch of my department has set up equipment to carry out extensive research by hydrogenation as applied to this problem. Other tests of Alberta bitumen will also be made at the Ottawa plant.

So, as you can see, the federal government has played an important role in the development of these resources for the people of Alberta and of Canada. The scientists and engineers of my department have combined their efforts with those of private industry and of the provincial government to find the best and most practical means of utilizing the oil in the tar sands. There has always been a free exchange of information between the provincial and dominion scientists.

Such projects can only be brought to a successful conclusion by joint effort on the part of the federal and provincial governments and private enterprise. This co-operation is the key to the success of this confederation of ours. The hon. member for Bow River apparently lost sight of these facts or tried to distort them.

Mr. Johnston: No, he did not lose sight of any of them.

Mr. Prudham: In still another field of government activity the hon. member from Ottawa, representing Peace River, made reference to the hospitalization scheme that is in operation in Alberta at the present time. He referred to it as the best in Canada. I would like to point out that the federal Department of National Health and Welfare is entitled to at least part of the credit for anything of this nature done in Alberta.

Under the Liberal government's national health program over $2 million is being provided this fiscal year alone for 33 hospitals in the province. There is an additional $1 million set aside to help the province strengthen its health services in the field of tuberculosis, cancer, mental health, care of crippled children, and other public services. Incidentally, the federal government grant of $58,000 in aid of the construction of an addition to the provincial mental institute at Oliver has just been approved.

In Edmonton a great monument has been built to the high priest of Social Credit, the late Hon. William Aberhart. It is a beautiful, up-to-date and modern sanatorium. The federal Department of National Health and Welfare contributed $600,000 to the cost of that building, including furnishings and equipment. So far as I have been able to find out the provincial government has not at any time publicly acknowledged this assistance.

The hon. member representing Peace River and other members of his group on occasion have made very urgent pleas for greater federal aid for education. In the Peace river district two years ago a new school of agriculture was opened at Fairview. The federal government, through the Department of Labour, made a direct contribution of some $262,000 to the cost of construction at that school, including equipment. Again, on the occasion of the opening of that building, they did not have the courtesy to invite a representative of the federal government.

The members of this house are well aware of what this government has done during the life of this parliament by way of aid to universities and technical education. I do not need to take the time of the house to review it, except to indicate that in addition to the federal grant to the Alberta provincial university, the dominion government has contributed to the construction of agricultural schools at Olds and Vermilion as well as high schools in Edmonton and Calgary. Under the constitution the responsibility for education rests with the provinces. While the federal government has demonstrated its willingness to give indirect assistance, does it seem reasonable that a provincial government with a bank account of more than $75 million should need further federal aid for education?

The matter of highway construction is yet another example of federal aid. The trans-Canada highway, which is being constructed in Alberta, is without question the best engineered and best constructed highway in the province. This has been done under

supervision of the Department of Resources and Development. Approximately $10 million *of federal money has been spent to date on this one highway. It is hoped that the provincial government will in future follow the same engineering practices that have been instituted on that project, and endeavour to bring the provincial highways up to a safe standard.

Mr. Low: Harper Prowse got licked on that.

Mr. Prudham: It is my observation that the provincial highways in Alberta very closely resemble the Social Credit movement; they have a very expensive top but no solid foundation.

Mr. Johnston: At least they have a good top; that is more than can be said of some over there.

Mr. Prudham: A smooth top, too. The Social Credit party has busily propagated the idea that there is good government in Alberta. I would say that the reason they have a type of government often referred to as orthodox is that their administration of affairs has been marked by the absence of social credit rather than by any application of it.

No fewer than 14 acts of the Alberta legislature and 3 bills, which were wisely reserved by the lieutenant governor, have been declared ultra vires since 1935.

Mr. Low: Now you are getting down to the answer.

Mr. Prudham: Besides destroying our confederation and undermining national unity these acts, had they been implemented, would have drastically affected the rights and freedoms of the people of Alberta.

Mr. Low: That is nonsense.

Mr. Prudham: The Social Credit schemers were so bold as to entitle one of their acts "An act to provide for the restriction of the civil rights of certain persons". And we all know that the infamous "Accurate news and information act" would in effect have muzzled the free press of the province. So today, when we hear the pious platitudes of the Social Crediters, let the hon. members and the people of Canada recall what might have happened to our most cherished freedoms had we in Alberta not been protected by the courts of the land.

I would also like to remind this house that the hon. member for Peace River (Mr. Low) was a member of the Social Credit government when many of these unconstitutional acts were passed by the Alberta legislature. Anyone unthinking enough to believe in the manufactured myth of Social Credit good government might ponder what would happen if these Social Crediters ever held the power at Ottawa to carry their policies into effect. This intention is clearly indicated in the speech made by the hon. member for Macleod (Mr. Hansell) last Monday evening.

One of the chief claims made in promoting this idea is that of attributing to the provincial government of Alberta credit for reducing the debt of the province. In this connection I would refer hon. members of this house to bureau of statistics records which indicate that the provincial net bonded debt since 1940 has been reduced by $28,487,000 while during the same period the municipal net debenture debt in the province, owed by the same people of Alberta, has increased by $49,455,000. While the Alberta government boasts of a huge bank account, many of the municipalities are actually in a desperate financial position because of a maldistribution of revenues as between the provincial government and the municipalities.

Mr. Shaw: Tell them how many Liberals were elected in Alberta.

Mr. Prudham: On the other hand the federal government has assumed its obligations in this regard—

Mr. Shaw: Tell them how many Liberals were elected.

Mr. Prudham: —through the dominion-provincial tax agreements and ordinary subsidies. Under these agreements and subsidy arrangements the federal government collects and turns over to the Alberta government approximately one-quarter of the money that government spends annually. If it were not for these tax agreements the provincial government, of course, would have the privilege of raising that much additional money by direct taxation.

If the great prophetic day ever arrived when the Social Credit party would be in position to take office at Ottawa, I do not think that anyone for a moment would expect the hon. member for Peace River to be appointed prime minister. His present position seems to be that of a voice crying in the wilderness, preparing the way for another.

Mr. Low: Why are you Liberals so worried, then?

Mr. Prudham: Undoubtedly the hon. member for Lethbridge (Mr. Blackmore) would be designated minister of finance.

Mr. Blackmore: And would do a whale of a good job at it, too.

Mr. Prudham: It would not be a matter of speculation as to how long it would take his printing press policies to destroy the confidence of Canadians and of the world in the stability of Canada's financial structure.

NOTE: *See *"Corrigendum"* on page 364.

Mr. Shaw: That is what they said about Alberta in 1935, too.

Mr. Prudham: And you were prevented from doing it, by the courts.

It is surprising to hear the hon. member for Peace River, of all people, talk about his burning and consistent desire to strengthen over the years the ties of the commonwealth and the promotion of trade between Canada and the United Kingdom. He has been speaking lately of the great regard and respect which his party holds for the throne, and of how its position has been weakened by the appointment of a Canadian as governor general. As a matter of record, soon after the Social Credit party came into power in Alberta they showed the most flagrant disrespect for the crown by rudely turning the lieutenant governor out of his official residence, Government House, and auctioning its contents, showing not the least concern for the dignity and traditions associated with the high position of the representative of the crown in the province.

The federal government has, of course, seen to it that Government House in Edmonton was not allowed to go unoccupied or to be commercialized. It has been converted into a war veterans' hospital. But the point is that when Social Credit leaders advertise their profound attachment for commonwealth ties, most people will assess those convictions on the basis of actions, not words. The hon. member for Peace River was a member of the Alberta government at that time.

In addition, if the Social Credit party had been successful in discovering a scheme to carry their wild theories into effect without violating the constitution, they would have put Alberta in an economic strait-jacket, isolated from the rest of Canada and seeking to operate as a so-called self-contained unit. Had this been accomplished it would have been not only a cynical denial of the value of empire and international trade but a critical blow at the commercial structure of Canada.

Not only that, Mr. Speaker, but it comes with ill grace from the leader of the Social Credit party in this house to speak about any preponderance of Canadian trade with the United States over our trade with the United Kingdom. In the past few years, the Social Credit government in Alberta has relied very largely on United States capital and enterprise in the exploitation of Alberta's natural resources.

Mr. Low: Who wrote the speech you are reading?

Mr. Prudham: On the one hand they go about this country attacking the fifty big shots, or the international money power, as they describe it, while on the other hand welcoming to Alberta any money power they can get, international or otherwise.

I would remind the people of Canada, and those investors and businessmen who have regarded the Alberta government as orthodox, of the dangerous policies to which the Social Credit party subscribed in the early days of that movement, and which the national president of the Social Credit party, the hon. member for Macleod, reiterated in this house in the course of this debate. He said at page 235 of *Hansard*:

> Let nobody write or think that if Social Credit should take over the reins of government here, they would only follow along the lines of good honest conservative government. If the Social Credit took over the government of Canada let it be understood they would introduce Social Credit technique.

That speech has done a lot to clear the air and to dissipate the fable of a Social Credit good, conservative government. It must come as a shock to many people to find that the Social Credit party still stands for the ruinous funny-money schemes to which they first subscribed.

To those who feel the emotional impact of Social Credit, I would say once again that the Social Credit party has no monopoly on Christianity. At this point I would like to read into the record from a news report that appeared in the Edmonton *Journal*, and which was carried by Canadian Press, covering the speech made by the hon. member for Peace River at Edmonton on November 26th. I quote:

> Premier Manning made a triumphant tour of eastern Canada—not for political purposes but to do a job in religion . . . It has its political implications. It will hold implications for us, the party, I am sure.

Mr. Low: Why do you not go on and read the rest of the sentence?

Mr. Prudham: I would, but I have not the time.

Mr. Low: I'll say you haven't.

Mr. Prudham: I am not making any comment on these remarks of the hon. member, as his words speak for themselves. Mr. Speaker, I would say that the members for Peace River and Macleod have done much to clear the air and to show just where the Social Credit party stands, and the means they are using to gain political power.

The record of the Liberal party in strengthening and encouraging trade between the United Kingdom and Canada speaks for itself.

Mr. Low: I'll say it does. You have lost all the markets we ever had.

Mr. Prudham: I need only mention the billion and a quarter dollar loan by this country to Great Britain supplementing the billion dollar wartime gift to the mother country, the international wheat agreement and the various arrangements made for marketing a wide variety of Canadian farm products in the United Kingdom.

Mr. Low: That was a gift by the Canadian farmers.

Mr. Prudham: Everyone familiar with the record knows that the Liberal party works for the expansion of trade with all nations. That has been the whole tradition and direction of Liberal party policy over the years. That is why Canada on a per capita basis is today the world's greatest trading nation. That is why on the basis of total volume of international commerce, Canada is the fourth largest trading nation in the world at the present time.

An hon. Member: What page are you on now?

Mr. Prudham: By the time I have given this speech as often as we have heard the same Social Credit speeches in this house I will be able to say it backwards.

Mr. Mutch: And, saying it backwards, it will make just as much sense as they did.

Mr. Knowles: Is that all you can say for it?

Mr. Prudham: In conclusion I want to say I am proud of our Liberal leadership, proud of the Liberal record of achievement—the party that brought the country out of the depression, through a war, through the period of re-establishment, and is now directing it through another period of rearmament; and the country is enjoying a state of prosperity such as we have never known before.

Mr. J. A. MacLean (Queens): Mr. Speaker, I rise in this debate to make a few remarks in the interests of the people whom I represent, and I hope that these remarks will ultimately be in the interests of all Canadians. To begin with I recognize that we in the maritimes have certain natural disadvantages as well as many natural advantages. I am not going to speak in detail tonight about our natural disadvantages, but I should like to refer briefly to one or two of them.

To begin with, because the borders of the maritime provinces were not adjacent to the vast hinterland areas of Canada the boundaries of our provinces have remained as they were when we entered confederation, whereas in the case of seven other provinces their areas have been greatly expanded by the addition of large tracts of what was once hinterland. In the last few years these areas have been found to be rich in mineral wealth in the form of oil, nickel, iron ore and so forth, with the result that money is now pouring into their treasuries both directly and indirectly. We in the maritimes have not been given a commensurate compensation for that position.

There are also many artificial ways in which we in the maritimes seem to be at a disadvantage. Geographically we are away down at the far end of the Canadian table. We are smaller than most of the other provinces in population, and the result seems to be that when the big fellows have been looked after there may or may not be something left for us.

For instance, the people of the city of Charlottetown in the riding of Queens have had high hopes over the years that some of the promises which had been made to them for the improvement of the federal public works would be fulfilled. They had high hopes that a new federal office building would be built, as well as new armouries and new naval barracks. There were many other things they hoped for but which do not seem to be in sight. I hear an hon. member say that these things will not be forthcoming as long as I represent Queens. I have represented Queens for a short time only, and these wants have been in existence for a great number of years. No better results accrued to Queens when it was represented by a member of another party.

These public works and other requirements have been pointed out by many citizens of Prince Edward Island and representatives of many organizations. I have even been bold enough to point them out to the Minister of Public Works (Mr. Fournier) although I realized that was superfluous. I notice that there is a great deal of building going on in Ottawa in the way of permanent federal office space. If I did not know the keen perception and keen mind of the Minister of Public Works I might think that he thought I had said "Charlotte's town" when I actually said Charlottetown.

The people of Charlottetown have had high hopes that their busy airport would be extended. I believe that proposition is now receiving the consideration of the government, and I am confident that it will be dealt with in the near future and the desired results realized.

Generally speaking we in the maritimes appear to be neglected, or at least we think so, in connection with public works, defence

contracts and many other things. The Minister of Mines and Technical Surveys (Mr. Prudham) has just told us of the many geological surveys which have been carried on by the federal government in Alberta. It would seem that when the people of Alberta ask for something they get at least a geological survey, whereas when we in Prince Edward Island ask for something we usually get a stony stare.

These are things which I mention only in passing, but there is one serious injustice which I should like to bring to the attention of the government which affects the people of the province from which I come. I refer to the corporation tax on public utilities companies. This problem has been dealt with in a measure, but I should like to refresh the memory of the house in this regard by quoting from the budget speech of the Minister of Finance (Mr. Abbott) delivered in this chamber on April 8 last.

The minister is reported on page 1253 of *Hansard* of April 8, 1952, as follows:

> The house will recall that in my budget speech a year ago, I expressed special concern over the effect of our present high corporate tax rate on certain public utility companies which are forced by the nature of their business and their franchises to raise large amounts of capital to finance expansion of services required to be performed for the public, and which because of public control of rates are allowed to earn only a modest return on their capital.

And later on he said:

> During the past year much further study has been given to the problem and I have now decided to recommend a change in our law which I believe can be administered and which will grant a measure of relief to certain of these companies as long as the present very high corporate tax rate continues to apply. This relief will apply to companies whose main business is the distribution to, or generation for distribution to, the public of electrical energy, gas or steam, and will take the form of a deduction from the tax otherwise payable of an amount sufficient to reduce to 43 per cent the tax payable under the Income Tax Act on that part of a corporation's taxable income that is derived from such distribution or generation.

And further on:

> It is also, generally speaking, the group of companies which for a variety of reasons finds the greatest difficulty in securing adequate income to attract the heavy volume of capital required to keep pace with public demand.

This state of affairs has a special and unfortunate impact upon the economy of Prince Edward Island. The people of Prince Edward Island believe in free enterprise, with the result that both our telephone and electrical services are supplied wholly by privately-owned companies. In this day and age it is natural that people in the country as well as in the city expect to have the benefit and convenience of electrical power, and as a result the people in my province are most anxious that many of the fine agricultural districts should be electrified as quickly as possible. The company which supplies the power is in the position that it cannot attract sufficient capital to allow it to expand and extend its rural electrification project as rapidly as it would like to do. That is by reason of the fact that the company, like all other companies in that field, pays large amounts of taxes into the federal treasury.

I cite this case because it is an injustice. The consumers of electric power in my province have to pay into the federal treasury large amounts of taxes when the corresponding people in other provinces do not have to, simply because electric power is distributed by a private company in Prince Edward Island rather by a commission or co-operative or provincially-owned crown company as may be the case in most other provinces. The result is that the average family using electric power in Prince Edward Island has about $10 per annum unnecessarily added to its electric power bill. That $10 goes into the federal treasury in the form of taxation.

My province is already at a natural disadvantage as far as electric power is concerned because we have no hydroelectric power. All our electric power must be generated by steam. Furthermore, the fuel for generating that power must be imported from other provinces. It is either oil or coal and, as a result, the cost of electric power in rural areas in my province is very high.

Even if the farmers in some areas were willing to pay very high rates they would have very little hope of receiving service in the near future. I feel very strongly that this situation could be relieved very considerably if a uniform method of taxing public utilities could be found, regardless of the organization of the capital structure of the service which is being extended. This state of affairs, of course, also applies to the telephone systems of some of our provinces although it may not apply in others. That again creates an uneven distribution of the federal tax load on the Canadian people.

That is all I wish to say on those matters for the moment, Mr. Speaker, but I would like to make some remarks which have a bearing on another of our industries in Prince Edward Island. One of our main industries down there, apart from fisheries and agriculture, is of course the tourist industry. For a tourist industry to be successful one of the main requirements is that the area to be visited by tourists should be readily accessible, especially by road in this modern age. Therefore a frequent and high quality service for motorists to and from Prince Edward Island is a primary requirement. That being

the case, I would like to point out to the government the difficulties under which the tourist industry in my province labours due to the bottlenecks in travel to and from the island by the two ferry services which exist. There is a ferry service from Cape Tormentine to Borden, operated by the Canadian National Railways. It is a very good service but, at the same time, during the peak months of the summer it is inadequate. The result is that motorists must wait for a long time on each side before getting from or to the island. I would therefore suggest that the government give serious consideration to supplying a second ferry boat on that service for summer use. It would not have to be an icebreaker. It would not have to be as expensive a boat as we have there now, but it would be a boat that would relieve the peak traffic periods during the summer when tourists are going to and from Prince Edward Island.

The other main ferry service is operated by Northumberland Ferries Limited from Wood Island to Caribou, Nova Scotia. This company finds itself in a very difficult situation because at the present time it seems to be impossible for it to acquire adequate and suitable ships for service. This service is one which has been growing very rapidly in the last few years. Traffic over the route is increasing to the point where, at the present time, the company is unable to cope with it with its present facilities. A third ferry of some description is required to be made available for next summer so that congestion on the route will be somewhat relieved. That would only be a temporary measure, and I would recommend most strongly to the government that consideration be given to either providing a boat for this company, which might be run on a management basis, or creating an environment which would allow this company to build a suitable boat for its own operations so the service could be improved.

Another matter which has some bearing on our tourist industry is the advertising which is done by various departments of the government for the purpose of attracting tourists to our province. I feel that perhaps this advertising is not sufficient. Until recently I was under the impression that the advertising was adequate, but some unfortunate circumstances with respect to my province have recently been reported in a widely-read Canadian periodical. It concerns a very well known and famous citizen of Ottawa who had occasion to go to our province last summer. Due to circumstances about which I have no information it would seem that this man was very unfortunate in the accommodation which was provided for him there. The result was that while he was spending some time in Prince Edward Island, as quoted in this periodical, he had "the worst meal he had ever eaten in Canada".

The most unfortunate thing about this is that such a state of affairs is entirely unnecessary. I myself have eaten in most of the public eating places in Queens county and so has the senior member for Queens (Mr. McLure). I must say that in most cases the food was very good and I think, Mr. Speaker, you will agree with me when I say that both the senior member for Queens and myself look reasonably well fed.

Some hon. Members: Hear, hear.

Mr. MacLean (Queens): This unfortunate gentleman, who is a great man, and being a great man no doubt is a humble man, probably has tastes that are not unnecessarily extravagant. I expect that he would have demands with regard to food which were not unreasonable. Nevertheless he apparently ended up in a fifth rate hotel because, as I said, he was served the worst meal he ever ate in Canada. I think that is most unfortunate, because with a little advertising in the right places people going from Ottawa to Prince Edward Island would have a better idea where to go. There are excellent places in Prince Edward Island at which to eat. I am quite sure every hon. member will agree with me when I say that.

For instance, the Ontario motor league publishes a booklet which is called "Travel in North America", or something of that sort, and it lists at least three hotels in my riding which have a triple A rating. I understand that is the highest rating that association gives. In addition to that, if there were any doubt about the matter, there are many places in my riding which are recommended in various travel folders as good places at which to dine. For instance, in a book called "Let us Visit Canada" by Byron Steele, which was published in 1948, a couple of places are mentioned. He refers to one as having as its specialty seafood and steaks; another serves excellent chicken dinners. I believe, therefore, that with a little suitable advertising either by the Department of Transport or the Department of Resources and Development people in the rest of Canada might be educated to such an extent that they would not have such an unfortunate experience.

This man does not say where he had the misfortune to stay. I am sure he could have stayed in some very fine hotels, one of which would be the Charlottetown hotel. I feel that if that were sufficiently advertised it would attract more notable clients from this part of the country. I see that the Canadian National Railways do put out a little booklet

advertising their hotels. It is entitled "Canadian National Railways Hotels Coast to Coast." With reference to the Charlottetown hotel, it says it has 110 rooms, each with a private bath. Then the booklet goes on to say:

> Georgian in architecture, this modern fireproof structure is one of the finest in the Canadian National Railways chain of hotels. Conveniently situated close to the business and shopping district of Charlottetown, it is but a half mile from the Canadian National Railways station.
>
> The Charlottetown is celebrated for its excellent cuisine, seafood dishes being a special feature.

I hope that it was not seafood that caused this notable gentleman a bad time, because he does admit that he is unable to distinguish a live lobster from a cooked one, not knowing that a live lobster is dark green and a cooked one is bright red. I point out this experience, Mr. Speaker, merely to give the government some small idea of the importance of good advertising to the residents of Prince Edward Island, to whom the tourist industry is of great importance. I believe this especially necessary because in my constituency we not only have a very fine Canadian National Railways hotel; we also have a very fine park, and there are some excellent privately run hotels.

(Translation):

Mr. P. L. Dube (Restigouche-Madawaska): Mr. Speaker, may I at the outset offer my congratulations to the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne, for the splendid manner in which they discharged their duties.

I also wish to congratulate the Clerk of the House on the lecture he gave at the Capitol theatre last Sunday night. I am sure that everyone present found it very interesting.

Now, Mr. Speaker, I would like to call the attention of the government to the shortage of cement in my province, especially in my constituency. It is rather strange to find that cement becomes scarcer as the weather gets more favourable for building projects. Such a situation is annoying for people who intend to build a house or erect any other kind of building. Every season we experience the same trouble with regard to that essential building material.

We are well aware of the present housing situation. Therefore, in order to further the erection of housing units, production of building materials must be increased and an adequate distribution assured.

In my district, when we speak of cement, we are under the general impression, rightly or wrongly, that our people are at the mercy of the Canada Cement Company who are in a position to supply or deny this building material to whoever wishes to build a home.

Many people wonder why there is only one cement producing company in this country where the use of this material is so widespread and, especially, when there is an inexhaustible supply of the raw materials used in the manufacturing of cement.

In my humble opinion, though I have made no personal inquiry or study of the situation, I realize that our people are the innocent prey of monopolizing interests. This opinion is also shared by our farmers and our workers who are particularly affected by the scarcity of that building material. There are some who take advantage of the present shortage to speculate and exploit those who need cement. This product, which was selling for 80 or 90 cents a bag before the shortage, now fetches ridiculous prices, such as $1.50 or $2.10, and even $3.10, I am told, in certain cases. It is easy to see that cement is being sold on the black market by individuals who, foreseeing this shortage, have accumulated stocks which they are now marketing at these exorbitant prices.

I believe it is time for the government to intervene immediately to put a stop to this kind of thing, so that the people of this country may buy, for a reasonable price, this product manufactured from our own natural resources. I am convinced that private enterprise is bound to fail unless our governments manage to set fair standards. If we want to do away with communism in our midst, let us try to inspire the people with greater confidence in the social benefits of private enterprise. People do not live from slogans, but from daily bread, from a proper distribution of goods, from equal opportunities for all, not only in theory, but in practise.

Mr. Speaker, I am glad to know that the governments of Quebec and New Brunswick have finally agreed to apply to the federal government for the necessary grants for the construction of a bridge across the Restigouche river, between Campbellton, New Brunswick, and Cross Point, Quebec.

The population of the city of Campbellton has asked for the construction of this bridge for so long that it will no doubt welcome this agreement between the two provinces.

I hope that the Minister of Public Works (Mr. Fournier) will respond favourably to the wishes of the people of both sides who rightly deserve that the necessary grants be accorded them for the early implementation of this project.

The city of Campbellton is now important enough, and the joining of both provinces by

means of this bridge will be profitable to everyone and will be of much help in the development of activities in this area. In former days roads were bad and automobiles rather scarce. Today it is another story. Most people own automobiles and travel, especially since the completion of the trans-Canada highway.

A large number of those people who visited Gaspé this year would have crossed over to visit New Brunswick, and vice versa, if only there had been a bridge between Cross Point and Campbellton. Some motorists do not like to take the ferry, both because they do not like to wait for the return of the boat thus wasting precious moments and because they are not confident of their ability to drive their car onto it. But, mainly, it is because of the loss of time. Everything moves so quickly today. A bridge is far more convenient, there is no doubt about that.

Since both provinces are equally deserving of a visit from those who want to see all of Canada, I really believe that the government would quickly recover the moneys put into this venture, through a constant increase in the tourist trade.

Mr. Speaker, in concluding, I wish to contradict the statement made by the hon. member for Springfield (Mr. Sinnott) concerning the railway employees. According to him, their wage demands are not justified.

If the hon. member for Springfield knew of all the expense railway employees incur while at work, I am sure he would not have spoken the way he did. If he only knew the responsibilities which they face, I am sure he would not introduce in this house a bill to prevent them from striking for the next two years. Should he introduce this bill, I will vote against it.

(Text):

On motion of Mr. Laing the debate was adjourned.

On motion of Mr. Fournier (Hull) the house adjourned at 9.55 p.m.

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*CORRIGENDUM

Hon. George Prudham (Minister of Mines and Technical Surveys): Mr. Speaker, I should like to make a correction of a statement made by me in this debate, as recorded at the top of the first column on page 358 of *Hansard*, where I was making reference to the trans-Canada highway. The statement reads:

> Approximately $10 million of federal money has been spent to date on this one highway.

The information which came to my office, on which this statement was based, was that contractual commitments on the trans-Canada highway in Alberta are now $10,103,514.17. Actually, under the trans-Canada highway agreements this figure is a total, and is shared equally by the federal and provincial governments.

—from *Hansard* of December 17, 1952.

HOUSE OF COMMONS

Friday, December 5, 1952

The house met at 2.30 p.m.

KOREA

REFERENCE TO STATEMENTS BY MEMBER FOR WINNIPEG SOUTH CENTRE

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, last night the member for Winnipeg South Centre (Mr. Churchill) made a number of statements, and he expressly asked me to give certain assurances. Because of the nature of those statements and their possible effect on the forces abroad and their families at home, I felt that in the national interest I should make an immediate statement. Accordingly, I have delayed my departure abroad, and if I have the unanimous consent of the house, I shall proceed to make a statement now. It will not be long.

I refer to that part of the hon. member's speech in which the impression is created that the rate of casualties suffered is, in any way whatever, comparable to those at Dieppe. Whilst this may not have been the intention of the hon. member, you can see the impression created by the reference in the dispatch as it appears in this morning's Montreal *Gazette*. It reads:

> The Winnipeg soldier M.P. warned that to date Canadian casualties in Korea had been about 60 per cent—"the same heavy casualties rate as at Dieppe".

At Dieppe, of forces numbering 4,963, 3,371 were casualties in eight hours. In Korea the 25th Canadian infantry brigade have been there a total of 7,900 man years. The total number of casualties suffered numbers 1,248 or 16 per cent as opposed to the 68 per cent in eight hours at Dieppe. It must be remembered and emphasized that the 25th Canadian infantry brigade is practically all in the active theatre of operations in front of brigade headquarters. I am informed by the chief of the general staff that the casualty rate of the 25th brigade, as related to the actions in which they have been engaged, has been lower than any comparable formation in the war in Korea or in the second world war, and that has been due to the finest possible equipment, good training, maintenance of strength and good leadership. The fact that so far the brigade has only lost one prisoner of war is a remarkable tribute to its fighting quality and fighting spirit.

The care that casualties receive is shown by the fact that of the non-fatal battle casualties less than 3 per cent died of wounds while the figure was 6 per cent in the second world war and 8·1 per cent in the first world war.

So far as ammunition is concerned, the position in Korea is precisely as I outlined it the other day. Canadian troops have never been subjected to unnecessary casualties by any shortage of ammunition, nor are they in the least likely to be exposed in such a manner. The fact is, Mr. Speaker, that the amount of ammunition used in Korea far exceeds that ever used before in any campaign in the history of mankind for any force of a comparable size. During quiet periods ammunition is conserved, on precisely the same basis for the Canadians as for the other forces, against the possibility of attack and to maintain an essential theatre reserve against contingencies. If an armistice is agreed on it might well include a condition that there should be no supplementing of military formations or stores in the theatre while it is in force. If an armistice is agreed on such terms and fighting should subsequently break out again, the forces would have placed themselves in a position of unjustifiable risk had they not provided for theatre stocks.

As for the political and superior military control of the Canadian forces, we have a position in the commonwealth division and in the army appropriate to our position as having the third largest fighting force among the United Nations in Korea.

The brigade commander may, either through the usual channels or direct, bring to attention any situation in which he feels that Canadian lives would be needlessly risked, or any other circumstances requiring attention, in Korea, in Japan and, if necessary, at Washington. The brigade commander is specifically given the right of direct communication to the chief of the general staff in Ottawa on any matter and can call for representation to be made to the United Nations command either through military or governmental channels in the event that he should feel that he was required to take any action which involved the acceptance of unjustifiable military risks to his troops. Happily, no situation has arisen necessitating such an appeal, and with the confidence which we may feel in the calibre of the command in the theatre such an appeal is not to be expected.

NATO Conference

I am sure that the hon. member did not intend his remarks to be harmful to the magnificent spirit of our fighting forces and I am sure he did not want to cause additional distress and concern to their wives and mothers at home here in Canada.

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I am sure that the minister would not care to have one of his statements misinterpreted this afternoon. As I heard it, I think he was suggesting that I had not drawn a careful distinction between the casualties at Dieppe which were suffered over a period of a few hours and the casualties suffered by the 25th brigade over a period of 22 months. I was extremely careful to note the time element involved in those two cases.

NATO CONFERENCE

PRESS REPORT—ATTITUDE OF CANADIAN REPRESENTATIVES

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, in view of the minister's desire to remove any uncertainties before he leaves, may I ask him if he will inform the house whether the statement conveyed to the people of Canada by the Canadian Press yesterday, and which informed the Canadian people as to the attitude that he and the members of his party are to take at the NATO meetings, does in fact represent the position of the government, in view of the fact that the statement was said to come from responsible authorities?

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, I am in no way responsible for what the newspapers print. When I make statements, I am glad to have them printed as I make them. Yesterday I made a statement in answer to the hon. member for Assiniboia (Mr. Argue) which I think covers the situation completely. Canada entered into the North Atlantic treaty in good faith. She has formed a partnership for the preservation of peace. We have already taken part in every meeting of the council and have made the commitments which I have reported to this house. We will consider with our other fellow members everything brought before us that is likely to strengthen the forces which we are building up to prevent aggression and to preserve peace. I will not make any commitment abroad because that would not be in accordance with our constitutional practice, but I will be glad to participate in discussions and to exchange views freely and fully with my colleagues, most of whom I know well. Then I will make a report to the government.

Mr. Drew: As a result of that statement, Mr. Speaker, may I ask the minister whether he will give instructions that in future officials of his department will not give statements, without names attached, which create these impressions?

Mr. Claxton: Mr. Speaker, there is no justification whatever for the Leader of the Opposition to make any such assertion. He knows quite well that none of the people on this side of the house or on that side, and none of the officials of the department, have the least control over what the press does or how it uses anything. We hope for the best.

LOAN COMPANIES ACT

INVESTMENT IN BONDS ISSUED BY INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Hon. Stuart S. Garson (Acting Minister of Finance) moved the first reading of Bill No. 7 (from the Senate), to amend the Loan Companies Act.

Motion agreed to and bill read the first time.

TRUST COMPANIES ACT

INVESTMENT IN BONDS ISSUED BY INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Hon. Stuart S. Garson (Acting Minister of Finance) moved the first reading of Bill No. 8 (from the Senate), to amend the Trust Companies Act.

Motion agreed to and bill read the first time.

CANADA EVIDENCE ACT

AMENDMENT TO PERMIT AFFIDAVIT TO BE SWORN BEFORE A NOTARY OR A COMMISSIONER

Hon. Stuart S. Garson (Minister of Justice) moved the first reading of Bill No. 9 (from the Senate), to amend the Canada Evidence Act.

Motion agreed to and bill read the first time.

EMERGENCY POWERS ACT

PROVISION FOR CONTINUATION OF ACT FROM MAY 31, 1953, TO MAY 31, 1954

Right Hon. C. D. Howe (Acting Prime Minister) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Emergency Powers Act to provide for the continuation of the act for a further period of one year, that is from the thirty-first day of May, 1953, to the thirty-first day of May, 1954.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

FARM IMPROVEMENT LOANS ACT

PROVISION TO EXTEND OPERATION FOR A FURTHER PERIOD, ETC.

Hon. Stuart S. Garson (Acting Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to bring in a measure to amend the Farm Improvement Loans Act, 1944, to extend its operation for a further period by closing out on March 31, 1953, in lieu of February 28, 1954, the present three year pool of loans guaranteed by the government under the act and by providing for a new three year pool commencing April 1, 1953, and ending March 31, 1956; to provide further that the maximum amount of bank loans made in the new period and guaranteed under the act shall be $300 million.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

NORTH PACIFIC FISHERIES

INTERNATIONAL CONVENTION FOR HIGH SEAS FISHERIES

Hon. James Sinclair (Minister of Fisheries) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure providing for the approval and confirmation of the international convention for the high seas fisheries of the north Pacific ocean, signed by Canada, the United States and Japan, in Tokyo, on the 9th of May, 1952, and for carrying out Canada's obligations under the convention.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

JUDGES ACT

SALARY FOR ADDITIONAL JUDGE OF SUPREME COURT OF BRITISH COLUMBIA

Hon. Stuart S. Garson (Minister of Justice) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a measure to amend the Judges Act, 1946, to authorize payment of a salary for an additional judge of the supreme court of British Columbia.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

Proposed Legislation

NATIONAL HOUSING ACT

INCREASE IN APPROPRIATION FOR LOANS

Hon. Robert H. Winters (Minister of Resources and Development) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the National Housing Act, 1944, to increase the appropriation provided by section 7 for loans under part I from $300 million to $500 million, and the appropriation provided by section 13 for loans under part II from $150 million to $250 million, also with respect to grants in aid of slum clearance and to certain other matters deemed necessary for the proper administration of the act.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

WATER RESOURCES

ASSISTANCE TO PROVINCES FOR CONSERVATION PURPOSES

Hon. Robert H. Winters (Minister of Resources and Development) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to authorize grants of assistance to provinces for the conservation of water resources under the terms and conditions specified in the said measure, such grants not to exceed thirty-seven and one-half per cent of the projects and to be paid out of moneys appropriated by parliament for the above-mentioned purposes; and to provide that all officers, clerks and employees required for carrying out the provisions of the measure shall be appointed in accordance with the provisions of the Civil Service Act.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

HISTORIC SITES AND MONUMENTS

ESTABLISHMENT OF BOARD ON STATUTORY BASIS

Hon. Robert H. Winters (Minister of Resources and Development) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to provide for the establishment of the historic sites and monuments board of Canada on a statutory basis; to provide that the board shall consist of twelve members and for its powers and duties; to provide also that the appointed members shall be paid a fee for attending each meeting and travelling and living expenses incurred in connection with the business of the board; to provide also for the appointment and remuneration of a secretary of the board; and to provide further that all expenditures for the purposes of the act shall be paid out of moneys appropriated by parliament therefor.

Proposed Legislation

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

TRANS-CANADA AIR LINES ACT

INCREASE IN NUMBER OF BOARD OF DIRECTORS—ADJUSTMENT OF CAPITAL STRUCTURE

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:

That it is expedient to introduce a measure to amend the Trans-Canada Air Lines Act, 1937, to provide that the corporation shall be under the management of a board of directors composed of nine persons in lieu of seven; to increase the powers of the corporation, and to adjust its capital structure in such a way as to conform to normal commercial practice.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

VETERANS BENEFIT ACT

CHANGE IN DATE OF EXPIRATION

Hon. Hugues Lapointe (Minister of Veterans Affairs) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Veterans Benefit Act, 1951, to provide that the act shall expire on the last day of the first session of parliament in 1954 in lieu of the last day of the first session of parliament in 1953.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

ARMED FORCES

ASSISTANCE FOR HIGHER EDUCATION OF CHILDREN OF CERTAIN DECEASED MEMBERS

Hon. Hugues Lapointe (Minister of Veterans Affairs) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to provide assistance for the higher education of children of certain deceased members of the armed forces and of other persons, all allowances and costs payable under the act to be paid out of moneys appropriated by parliament.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

[Mr. Winters.]

RADIO BROADCASTING

INTERNATIONAL SERVICE—INQUIRY AS TO EXTENSION TO POLAND

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): I wish to direct to the Minister of National Revenue a question of which I have given him notice. In view of a letter appearing in the Montreal *Gazette* today in regard to the fact that no broadcast is alleged to be extended to Poland in the international service, may I ask him whether that is a fact, and if so what the reason is that Poland alone of the major countries beyond the iron curtain is not receiving at this time programs of the nature being extended by the international service of the Canadian Broadcasting Corporation.

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, I just received the notice of this question as I was coming into the house, and I shall have to take it as notice and give an answer at a future time.

Mr. Drew: It may be that there was some delay in the delivery of the notice, and if that is the case the same comment may apply to another question, but I shall ask the question notwithstanding that, because the minister may be able to answer it.

TELEVISION

INQUIRY AS TO PROGRAM ENTITLED "HILDA MORGAN"

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Has the Canadian television program entitled "Hilda Morgan" broadcast over CBLT, Toronto, on November 27, 1952, been brought to the attention of the minister?

Hon. J. J. McCann (Minister of National Revenue): The program "Hilda Morgan" has not been officially brought to my attention, although I did read some press comments on it. A copy of the program has been requested, and if it proves to have been objectionable, similar programs in future will not be telecast.

PENSION ACT

DEPENDENTS OF DECEASED SERVICE PERSONNEL—REQUESTED CHANGES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Minister of Veterans Affairs. Can the minister make a statement concerning the conference he had recently with representatives of the Silver Cross Women of Canada? Is consideration being given to their request for certain

changes in section 33 of the Pension Act with respect to pensions paid to dependent parents of deceased servicemen?

Hon. Hugues Lapointe (Minister of Veterans Affairs): I do not believe there is any statement to be made at the present time, other than that I met with the representatives of this organization two days ago. They presented me with a brief, which was discussed between themselves and myself and officers of my department, and the brief will receive consideration by the cabinet.

FISHERIES

NAFEL—COMMENT ON STATEMENT OF SECRETARY OF STATE

On the orders of the day:

Mr. G. F. Higgins (St. John's East): I wish to direct a question to the Minister of Fisheries. Will the minister comment on the recent statement made at St. John's by the Secretary of State (Mr. Bradley) with respect to the continuation of the Newfoundland fisheries organization known as NAFEL?

Hon. James Sinclair (Minister of Fisheries): The hon. member was kind enough to send me a copy of the St. John's paper. NAFEL is the single marketing agency for export of fish from Newfoundland, which was set up under the commission form of government prior to Newfoundland entering confederation, and, as one of the terms of union with Canada, was allowed to be carried over to the spring of 1954. The statement made by the Secretary of State is quite right. In the forthcoming year very serious consideration will be given by the Department of Fisheries and the provincial government in consultation with the fishing industry and the fishermen as to what course will be taken when the present agreement lapses. When a decision is taken it will be announced in this house.

Mr. Speaker: Order. May I take this opportunity of commending the hon. member for St. John's East for having sent the dispatch to the minister. That is the proper way of bringing a dispatch to the attention of the minister. I am afraid that during the last few weeks hon. members have been reading dispatches in the press, copies of letters or telegrams, to the house. That is not in accordance with our rules. If an hon. member wants information about something which he may have seen in the press, he should send the article to the minister, as the hon. member for St. John's East (Mr. Higgins) has done in this case, and then he can ask the minister if he would like to comment upon it.

VETERANS AFFAIRS

WAR VETERANS ALLOWANCE—REQUEST FOR RAISING OF PERMISSIBLE INCOME

On the orders of the day:

Mr. P. E. Wright (Melfort): Mr. Speaker, I should like to ask a question of the Minister of Veterans Affairs. Has consideration been given to the request of the Canadian Legion for raising the permissible income under the War Veterans Allowance Act at this session?

Hon. Hugues Lapointe (Minister of Veterans Affairs): Consideration is being given to all representations made either by the Legion or by other organized veterans bodies to the Department of Veterans Affairs.

BUSINESS OF THE HOUSE

QUESTIONS ON ORDER PAPER

On the orders of the day:

Right Hon. C. D. Howe (Acting Prime Minister): Mr. Speaker, at the last sitting of the house I was asked if questions could be answered at an early date. I have been told it is customary to make such an arrangement at this stage in the debate. Therefore if on Wednesday next Your Honour will call the order "Questions", members of the cabinet will be prepared to answer. Perhaps that could be established for each Wednesday until the current debate ends.

Mr. Knowles: Will that also apply to notices of motions for the production of papers?

Mr. Howe: Yes.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, December 4, consideration of the motion of Mr. J. L. Deslieres 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. Arthur Laing (Vancouver South): Mr. Speaker, I desire for a very short time to give some attention to the excellent speeches of the hon. members, respectively, for Brome-Missisquoi (Mr. Deslieres) and Waterloo North (Mr. Schneider), whose speeches inaugurated the present debate. I was particularly interested in the case made by the hon. member for Waterloo North on behalf of those very unfortunate people, the blind of this country. I think it is a great credit to the House of Commons that a man whose name for many years has been associated with the larger industrialization of this country should have made such a plea. For

myself, I consider it an excellent omen for the continued vitality of the party to which both he and I belong.

Mr. Speaker, I must make reference to the recent appointments to the cabinet from British Columbia. We were delighted in British Columbia—and I say that all the people of that province were delighted—when the hon. member for Coast-Capilano (Mr. Sinclair) was appointed to the post of Minister of Fisheries. And we were doubly delighted when the hon. member for Vancouver Centre (Mr. Campney) was appointed to the post of Solicitor General. We in British Columbia interpret these appointments as indicating that some attention is being paid by the Prime Minister (Mr. St. Laurent) and his government to the growing strength and the growing responsibility of British Columbia within this nation. But, more than that we are sure these two members will bring new strength and new lustre to the wider councils of the nation.

I should like also to refer to the former minister of fisheries for the Dominion of Canada, who has gone to a new and onerous task as Canada's first post-war ambassador to Japan. We in British Columbia, whose windows look out upon the Pacific, have for many years been deeply concerned over the contraction of trade in that general area. In a world which is increasing its population at the rate of 60,000 souls per day, one-half of all the world's population lives on the rim of the Pacific.

There was a time when we had the great white Empresses, and the ships of other lines, running regularly across the Pacific. But in recent years these have disappeared. We were happy in British Columbia when the Canadian Pacific Railway took two of its better freight ships recently and put them on that run. But we in that province earnestly hope that the re-establishment of Japanese trade will be used as a springboard for the resumption of trade all around the Pacific. And I am going to say this, that of all the people who have been in the public service of this country we could not have appointed to that post a more able and more deeply versed businessman than Mr. Mayhew.

Mr. Speaker, I have one or two local problems associated with my own city with which I should like to deal first; and the first of these has to do with the Vancouver international airport. I was a little surprised the other day when the hon. member for Vancouver-Quadra (Mr. Green) brought up the matter of the connecting link between the city and the airport. With one part of his assertion I agree entirely, and that is as to the importance of our Vancouver international airport. With the single exception of the item of air mail, our Vancouver international airport is today the greatest in the Dominion of Canada, and it is shortly going to be one of the greatest airports on this continent. In the matter of passengers it is today handling 1,700 per day. It is handling a higher weight of air freight than any other airport in Canada. It was established in 1929 as a city airport, and has grown markedly every year since that time. Out of it travel all the Trans-Canada Air Lines and United Air Lines service to the United States, as well as the service of Canadian Pacific Air Lines across the Pacific. And there is now being inaugurated service to South America and to the Antipodes. It is a great airport.

But the other evening the hon. member for Vancouver-Quadra dealt with it as if the only important matter were the connecting link. Well, I have been the member for Vancouver South since 1949. I know however that before that the hon. member who is now the member for Vancouver-Quadra represented Vancouver South. I have searched in vain for anything he said, prior to 1949, in reference either to the airport or to the connecting link.

It is true that the connecting link is not a good one. We refer to it as the Marpole bridge. I do not think the hon. member for Vancouver-Quadra knows that the first bridge was built there prior to 1890 and that there have been no fewer than four re-establishments of bridges at that location since. The last bridge was built in 1927 at a cost of $275,000.

At the present time the bridge is carrying over 18,000 vehicles per day, a fact which I think is a great tribute to British Columbia lumber and British Columbia pilings capable of carrying that weight for that amount of money.

This bridge is 100 per cent the responsibility of the provincial government, because it was taken over by a bill which passed the British Columbia legislature. The hon. member referred to negotiations which had been undertaken between the federal government and the city of Vancouver for the acquisition of the airport. After all, I would remind him that even in the city of Vancouver it takes two to make a bargain. The federal administration and the Department of Transport have repeatedly done their level best to come to some agreement in respect of the purchase of that airport where, today, for every dollar invested by the city the government of Canada has at least twenty.

There were and there still are on the city council in Vancouver some members who think that the airport is a goose which will lay golden eggs, and that the city should retain it. I am not of that opinion because I think that, from the very nature of the airport, the cost should be visited upon the widest possible taxation basis, and that is all the people of Canada. I would suggest to him that in the ensuing months we may have an opportunity of reopening with the city council of Vancouver the question of the acquisition of the airport, and I know that any help he will be able to give us at that time will be deeply appreciated. It will then be soon enough for us to consider a contribution by the federal administration toward the cost of improvements and increased facilities at that airport.

There is another problem which is of great concern to my city and which was referred to in the speech from the throne, which stated that Canada had been blessed with the greatest grain crop on record. I had made a short compilation of the storage facilities at different points, which are as follows:

	Millions of bushels
Vancouver and Westminster	20·6
Prince Rupert	1·25
Fort William-Port Arthur	93·1
Montreal	15·9
Saint John, N.B.	3·0
Churchill	2·5
Halifax	2·2

I think it would be helpful if we had a factor indicating the shipments made from the various points in relation to the storage capacity. The following figures are for the last crop year for which we have a record, the one ending on August 1 this year:

Vancouver	5·4
Prince Rupert	4·8
Fort William-Port Arthur	5·0
Montreal	7·8
Saint John, N.B.	4·7
Churchill	3·0
Halifax	4·5

There is every indication that additional storage capacity is required for Canadian grains and this capacity should be located at the points closest to the eventual markets. We are assured by people in Vancouver that during the current year they will ship not less than 125 million bushels, which would give us a factor of over six bushels. I am assured also that during the current year Prince Rupert will ship no less than ten million bushels. Vancouver has many great advantages, not the least being our magnificent weather. Vancouver is an all-year port and we have advantages which are denied to other ports in Canada where storage facilities are located.

In addition to that we are strategically located, and this refers also to that great and growing port of Prince Rupert. As a result, during recent years considerable shipments of United States grain have been made through Vancouver from the great area in Washington state. There have been other shipments of United States corn for partial storage. Because of the situation existing on the Pacific, in the eventuality of that tragedy which we all fear, the dispersal of this grain is of great advantage to those people who are on our side.

I suggest that the time will soon arrive when we should have increased storage capacity in the port of Vancouver. I leave this matter with the Minister of Trade and Commerce (Mr. Howe) in the hope that he or the wheat board will find some way to increase this capacity. I think it could well be increased at this time by not less than ten million bushels.

I was delighted yesterday to hear the speech delivered in this house by the hon. member for Spadina (Mr. Croll). I want to take my place beside him in asking for a parliamentary committee to investigate every aspect of a national system of health insurance. I do that because I cannot support the subamendment introduced by the leader of the C.C.F. (Mr. Coldwell); for implicit in that subamendment is the thought that we can embark immediately upon a system of national health insurance.

I want to say at the start that I have no confidence in state medicine, which has been so construed in some countries and which it has been attempted to put into operation in others. I want no system that will interfere with the normal relation that exists between patient and doctor. But I do want, as soon as we can bring it about in this country, a system that will place the responsibility for illness, accident, incapacity and ill health upon all the people of the country instead of upon those unfortunates who happen to be in that position.

This is a problem of tremendous area. It is a problem whose horizons are forever receding. I was interested recently in reading some material put out by some medical men who point out that recent studies in endocrinology and the use of antibiotics may well increase longevity by another ten years by the end of this century. That would have a tremendous influence upon the whole problem and I believe that the eventual action that will have to be taken will be indicated

more clearly if we appoint a committee at once to make the broadest possible inquiries in every sphere.

The social services which we now have in Canada are more generous than those of any nation on the face of the earth having regard to our population. I was interested in an article which appeared in the December 5 issue of *U. S. News and World Report* entitled "Pay-As-You-Go Social Security" and subheaded "The Plan: Today's Benefits from Today's Taxes." The article reads:

> A new plan, favoured by a growing number of businessmen and business organizations, calls for an end to the idea of a multibillion-dollar social security reserve fund. Payroll taxes, instead, would be levied only as needed to finance pensions for all on a pay-as-you-go basis.

Which is the very plan that we decided upon recently in Canada. Here is a further indication of the generosity of the Canadian system:

> Retired workers, aged 65 or more, who now are not eligible for pensions will start to draw monthly benefits of $25 to $35 a month. Their wives, if 65 or over, will draw half that much.

In the realm of old age pensions, old age insurance, veterans pensions, veterans allowances and family allowances, we are paying something in excess of one billion dollars. If we add to that the cost of the health plans upon which we have embarked we find we are paying one and a quarter billion dollars annually. I think we have in Canada today the most enlightened and most generous plans in the way of social security. Notwithstanding that, I am prepared to support the hon. member for Spadina in the very excellent presentation he made yesterday.

I want for a few moments to deal with some matters of trade, and with particular reference to the attitude that is apparently growing among members of the official opposition. During the last interlude between our sessional sittings we had visits to the city of Vancouver by the Leader of the Opposition (Mr. Drew) and the leader of the C.C.F. group (Mr. Coldwell). Both of them received a resounding Vancouver welcome. That is to be expected because all the girls love to be courted even though the swain is ineligible. Somebody behind me says we had a visit from the Prime Minister. Yes, we did. We had a visit from the Prime Minister, and I detract nothing from my references to the other two hon. members when I say I think the Prime Minister was the most sincerely and deeply loved of them all.

I was particularly interested in certain comments made by the Leader of the Opposition in his Vancouver speech to which I listened. It took me back to the days of 1949 when there was circulated within our province a piece of Tory propaganda which started out by saying "lost". They told the people of British Columbia that all the markets for lumber had been lost, all the markets for fish had been lost, and all the markets for apples had been lost. They said we had lost everything. This propaganda was printed on white paper in Tory blue, and the contents were bluer and more pessimistic than the ink. I have some of it here. This is the material that was put out for Progressive Conservative speakers in 1949—"lost, lost, lost, lost". Well, we are hearing it all over again.

An hon. Member: They lost the election.

Mr. Laing: We heard it all over again in Vancouver. The Leader of the Opposition had been in the United Kingdom a short time previously and when he said to his audience in Vancouver that we want to re-establish contacts with the mother country he was speaking to a receptive audience, and he knew it. There is great thought, there is great hope in our province for the mother country. He said it was not good enough to say that we could not conduct business between the United Kingdom and Canada. He said that if a trigger-happy Russian soldier were to start a third world war we would find a way in two weeks. Of course we would find a way. We would find the identical way we found in the last war, by loans and gifts, because I am now convinced that all of us on the free side of the world will quickly act as firemen if a fire starts in the house of any one of us.

But what contribution is that to the idea of trade, not aid? We want something better than that. As a matter of fact I never expected to hear such a comment in our city from the leader of the Conservative party. We have been hearing that kind of stuff for years from the leaders of the provincial group of the C.C.F. party. We have been hearing that we will not have any prosperity unless we get involved in a capitalistic war. That is what the C.C.F. provincial leadership has been telling us for a long time. Well, we are going to have trade and not aid. The very nature of trade makes it a two-way street, and I think that is a fact that has been lost on the members of the Conservative party in this house. We cannot bring meat from England. They eat meat but they do not produce it. They have no wheat. They import wheat. If we are going to trade with the United Kingdom we must be prepared to take the things that they are best adapted to give us, textiles.

I want to quote certain remarks of the hon. member for Lanark (Mr. Blair), a man for whom I have the greatest respect. On March 7, 1952, he stated in the house that Great Britain is the chief exporter of woollen goods to Canada, and has now obtained an increasing share of our domestic market amounting to 86 per cent of all imports. He also said, as found at page 209 of *Hansard*:

> A great percentage of the wool fabrics that have been imported into Canada came from Great Britain, and there is no control or restriction on the volume of these imports.

Trade, not aid; but as soon as the old mother country sends us the things that she is most capable of giving us we raise once again the cry that once resounded in this house, tariffs as high as Haman's gallows.

I was most interested in a speech made in the house the other night by the hon. member for Lambton West (Mr. Murphy) dealing with sugar and tobacco. He wants neither sugar nor tobacco brought into this country but ample protection given for Canadian production of both. In that he is joined by the hon. member for Lethbridge (Mr. Blackmore), who advised me yesterday that he wanted some protection for sugar, and he is going to let me know how much at a later date. The hon. member for Lambton West had a great deal to say about sugar, and there was another time when he had a great deal to say about the cost of living in this country. In the house on February 8, 1951, when the cry of the Tory party was that the government had better get busy and do something about inflation and the rising cost of living, the hon. member for Lambton West had this to say, as found at page 189 of *Hansard:*

> It is the story of the housewife in Sarnia and in Ottawa, in Winnipeg and in Vancouver, who daily is fighting a losing battle against the rising cost of living. And for the housewife with a family of small children it is a bitter struggle as the household dollar shrinks to the point where food has to be sacrificed in order to buy clothes, or clothes have to be sacrificed in order that enough can be provided the family to eat. Here again the federal government stubbornly refuses to translate into action facts as they exist.

He was full of tears that night for the consumers of Canada. As the result of actions of this government, what has happened to prices? I now wish to refer to the Toronto *Star* of November 22, 1952, with respect to what prices are doing. Sugar was $10.30 a hundred pounds in November, 1951, and it is now $8.60. Does the hon. member for Lambton West deplore the fact that sugar has come down from $10.30 to $8.60? Does he want it to be protected so that it will go back from $8.60 to $10.30?

An hon. Member: Certainly.

Mr. Laing: Is that the attitude of the hon. member for Lethbridge too? So far as the hon. member for Lethbridge is concerned, I have told him privately since he spoke yesterday that it is my opinion that the farmers in his area who are producing sugar are doing exceptionally well. I am told that every year when the company opens its offices for quotas there is a line-up and many are turned away because capacity does not exist to the extent that the people in that area want to grow sugar beets.

Mr. Blackmore: Canada wants to keep it that way too.

Mr. Laing: Well, I don't know.

Mr. Blackmore: Well, I do.

Mr. Laing: I think the consumers of Canada, for whom hon. members on the other side of the house were so solicitous in 1951, require something of a break too.

I want to deal with some utter inconsistencies that have existed on the other side of the house. We have talked about exports, and when we come to make exports available in this country somebody on that side of the house says, "Do not expect anything; keep it all here to build up this country." That has been the cry. On May 9, 1950, the Leader of the Opposition said, as found at page 2327 of *Hansard*:

> We may withdraw nickel, copper or iron from the soil. We may refine it and send it in bulk to the United States, to the United Kingdom or to any other country in the world; and we have received the money for what we have produced . . . But as to power, we are not only exporting a commodity, something that comes from the soil; we are exporting the thing which in turn produces products of other kinds.

Then, I quote from the Ottawa *Journal* of October 18, 1952, an article reporting a speech made by the Leader of the Opposition at Nipigon. This is the headline, "Drew wants resources used for benefit of people of Canada".

Mr. Fulton: Don't you?

Mr. Laing: To what an admirable degree we are doing just that today. We are using those resources for the benefit of the people of Canada. My hon. friend says "Don't you?". I came here to point out some of the inconsistencies, and how inconsistent that statement of the Leader of the Opposition is with a statement made in this house the other night by the hon. member for Calgary West (Mr. Nickle). The hon. member quoted Mr. Ash, president of the Shell Oil Company, and recommended that gentleman's speech to the provinces of Alberta and British Columbia. The hon. member was in favour of the immediate export of both gas and oil from his

province. There is nothing very consistent about the whole plan. The arrows point nowhere.

I come now to iron ore. I am sorry the hon. member for Vancouver-Quadra (Mr. Green) is not in his seat. We are exporting iron ore from British Columbia to Japan at the rate of about 100,000 tons per month. The hon. member has called it a scandal and a disgrace. What is the situation with respect to that iron ore? The Japanese came out of the conflict with a steel capacity of about 10 million tons. It was decided by the people on our side that it was imperative that that capacity be used to its full extent. Japan formerly drew its ore from Korea and the mainland, and with that source entirely cut off they are taking iron ore from British Columbia today on a basis that is not economic. They are paying $8 or $8.50 a ton for the ore and they are paying over $12 a ton for the freight. The United States, which our friends see as a dangerous country to deal with and a country of which we should beware, is subsidizing the economy of Japan to the extent of $700 million annually to keep Japan out of the sphere of red China.

Unless we make a study of our position, I do not see how we can have a policy in this country in respect to trade. The hit and miss style I have heard coming from the other side I think might well place Canada, if these people came to power, in one of the most dangerous positions in which Canada has ever been.

Today trade is difficult. It is based fundamentally on conciliation, and if you are going to say to someone, "Keep your goods, we will not buy them but we demand a market for ours," then this trade situation which is very critical in the world today could be delivered into disaster.

Mr. Brooks: That is what we are doing with Great Britain.

Mr. Laing: I am quoting from the supporters of the same leader that my hon. friend supports. If he wants to read *Hansard* and the various points that they have made, I do not think he will find much continuity of thought in it. As a matter of fact, it was only last session that my hon. friend was advocating we should keep all the resources within Canada. I asked him a question then as to how he would apply that to the importation of bauxite for the production of aluminum. His reply was, "Well, if other countries want to act that way, that is all right, but Canada should keep her own resources".

Well, there is a very great story to tell in the development of just that question, and I want to deal with it for just a moment. We have a number of items which are of considerable importance to us, one of which is petroleum. Where would Canada have been during the war had she not the co-operation of the United States government in shipping petroleum? Our production today is going ahead by leaps and bounds, but where would we be today without imports of petroleum? Today we are bringing in petroleum at the rate of $158 million per annum from the United States, and to a greater extent from other countries.

Mr. Fulton: Where do you stand on the pipe line question? On both sides of it, as usual?

Mr. McIlraith: Which pipe line is the member for Kamloops (Mr. Fulton) talking about?

Mr. Laing: What about the bauxite to which my hon. friend referred?

Mr. Brooks: They have not the hydro power with which to develop it in those countries, and that is why it is selling here.

Mr. Laing: We have not got bauxite. We have the power and the intelligence to make aluminum. In the last year we bought 2·5 million tons of bauxite.

Mr. Brooks: We have the hydro power which those people have not.

Mr. Fulford: There is plenty of hydro power in British Guiana, but not developed.

Mr. Laing: This bauxite was not of very great value, but the resultant aluminum which we shipped out of this country constituted one of our greatest exports.

Then, in our province of British Columbia we have the Consolidated Mining and Smelting Company, with one of the greatest fertilizer plants in the world.

Mr. Brooks: And great hydro power.

Mr. Laing: We have great hydro power there, and we have the intelligence there to make fertilizer. We have not any phosphate rock in the Dominion of Canada, at least none of commercial values to date which could be used in the making of ammonium phosphate, phosphoric acid or superphosphates. Last year we brought in from the state of Montana 500,000 tons of raw rock phosphate. It was worth only seven dollars a ton and the import cost was $3·5 million. We shipped back to the United States 118,000 tons of ammonium phosphate worth $7·5 million. In addition to that, out of the raw phosphate rock we made 100,000 tons of ammonium phosphate for the Canadian prairies to produce more wheat. In addition to that, we exported some 75,000 tons abroad.

Mr. Brooks: How much did we get from the United States?

Mr. Laing: If my hon. friend wants to make a speech, he can make one after I am through.

An hon. Member: He has made his, such as it was.

Mr. Brooks: Yes; and the hon. member made a great one too.

Mr. Laing: If the attitude of my hon. friend were to prevail in this house, he would say: "We will take all the advantages and we will deny you any entry of your goods".

Mr. Brooks: No. I never said that.

Mr. Laing: That attitude could lead only to retaliation; and in a world of retaliation I think this young country of 14½ million people probably would have more to lose than would any other country.

An hon. Member: R. B. Bennett found that out, too.

Mr. Laing: I am glad of the interjection dealing with Mr. R. B. Bennett. I must return again to my good friend the hon. member for Lambton West, who spoke in this house on November 28. He made a statement that I never thought I would hear a Tory utter. As reported at page 187, he said:

> In the early 1930's we did have action by the then Conservative government, when the late Right Hon. R. B. Bennett was prime minister of this country. We face the same situation today and we still have the same remedies.

In 1932 the entire trade of Canada was a little bit over $1 billion. This year it is $8 billion. But the hon. member wants to return to 1932! In that year the receipts of the federal government were a little bit more than one-fifteenth of what they are today. They were operating on deficit financing and the deficit in one of those years was a little bit greater than the surplus produced by the Minister of Finance (Mr. Abbott) last year.

Mr. Fulton: The hon. gentleman knows that was an inheritance from the 1928 Liberal policies.

Mr. Deputy Speaker: Order.

Mr. Laing: I cannot do better than commend to the hon. member's attention the words of the hon. member for Lambton West to the effect that we have the same conditions and the same remedies.

Mr. Fulton: Go and read the bureau of statistics figures and you will see that situation was inherited from the 1928 Liberal policies. That fact has been proven over and over again.

An hon. Member: How about making a speech?

Mr. Fulton: I will.

An hon. Member: Hire a hall.

Mr. Laing: Positive things have been done in recent years by this country in the matter of trade. I am not going to stand up here and say that every fine thing that has been done in the matter of trade has been done by this government. If conditions were different, however, there are those on the other side of the house who would be prepared to take the opposite argument. This I do say, however. With the precarious nature of trade today, with a condition in the world where reconciliation and conciliation are necessary at all times, I think Canada has been fortunate to have as its Minister of Trade and Commerce a man of whom, in spite of the fact that he seemingly has arrived at the position where he is not greatly influenced by either praise or blame, it will be said, when the history of his times is written, that the contribution he made was at least as great as that made by any other Canadian.

Mr. W. G. Blair (Lanark): Mr. Speaker, I congratulate the mover, (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne. Their speeches were well prepared and well delivered. It is my intention today to devote my time to a discussion of the subamendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell). The subamendment reads as follows:

> We regret further that Your Excellency's advisers have failed: (a) To recommend legislation establishing a nation-wide health insurance program, with provision for provincial administration; (b) to implement their proposals to the dominion-provincial conference of 1945.

It is my hope, Mr. Speaker, that this matter will be freely debated in this house and that all members will express their opinions concerning a question of such vital importance.

During the time that I have been a member of this house I have advocated a plan of health insurance and in consideration of statistics involving mortality rates, incidence of disease, hospital accommodation, preventive measures and other considerations relating to this subject, I have frequently expressed impatience that we were not proceeding more rapidly to a solution of a matter so vital to our nation.

I regard this subject as of such grave importance that I hope there will be in no way any political shadow-boxing either in this chamber or in the forthcoming general elections. There is no doubt of the necessity of additional health measures, but we must have a clear understanding of the whole situation

and the measures necessary to remedy and to correct inadequacies of our present situation.

It is a trait of human nature that man should be concerned about the physical well-being of his family; and there exists in the mind of every citizen the fear of sickness and suffering in his immediate circle. Sickness or accident may invade any member of the family—the breadwinner, the mother or the children. But when for financial reasons medical services cannot be secured, the fear becomes intensified and becomes a matter of constant worry. The consideration of health services should not be a dull routine discussion in the House of Commons. Serious consideration to measures which would give proper assurance against the recurring fear of uncertainty in the ability of all citizens to obtain adequate treatment should be the concern of any government that has regard for the happiness of the people.

The most important asset of any country is its people. There can be only one sound foundation upon which a happy and prosperous nation can be built, namely, the good health of its members. This should be the primary concern of government. The ultimate objective of various departments of health should be to bring to everyone an equal opportunity to attain physical and mental health regardless of race, economic status or geographical position.

There are certain factors that are necessary to a proper health program. I place these factors as follows: One, sufficient hospitals and other institutions concerned with the care of those members of the nation who are ill; two, sufficient doctors, nurses, and trained personnel to carry out a full and complete program; three, diagnostic and preventive facilities; four, research; five, an educational program in order that the plan may receive the support of the public; six and last, but most important, government aid and direction.

The position in which we find ourselves in Canada is not one that we can view with complacency regarding our national health. Much has been accomplished, but much remains to be done before we can feel satisfied that we have corrected all existing deficiencies.

Let us give consideration to our present situation. The cost of medical care has increased tremendously in the past twenty years, as new methods of diagnosis and treatment have been discovered. However, these new methods of diagnosis have resulted in the successful treatment of diseases that were formerly considered incurable. The costs of medical services are increasing, but the ability of the people to pay for these services has not increased.

Medical science is making great strides, but the application of some of those discoveries has not been made available to all our people. It is the duty of the community and of the state to care for the unfortunate who are unable to seek and procure proper attention. It is unfortunate that people in the lower salaries who formerly were able to pay are no longer able to do so on account of the high and increasing costs of hospitalization and treatment. Even in the most severe illnesses, they cannot afford the necessities such as special nurses and hospital service. Unless an illness is acute, these people are forced to neglect chronic conditions for financial reasons.

Family allowances have done much for children, but it is regrettable that children belonging to those families cannot have defects corrected at a time when such correction would be of most benefit to them. It is most important that we develop good citizens in Canada, since the future of the nation depends on the physical, mental and moral health of our youth. The necessity of the physical health of our young men was brought sharply to our attention during the last war when over 40 per cent of our young men did not measure up to the required standards at the time of enlistment.

At this point, Mr. Speaker, I wish to pay a tribute to those serving on boards of hospital administration throughout Canada. Faced with mounting costs of maintenance, and almost prohibitive costs of new construction, they have endeavoured to meet those additional expenses and provide accommodation for their patients at a daily rate as low as possible. In this they have not been successful. The costs to the patients have risen to a point where sickness is getting beyond the financial means of the average citizen.

In view of the marked shortage of beds in some areas, it has been necessary to place patients on a waiting list for weeks and even months. I pay tribute to the staffs of the hospitals, and especially to the doctors, both in their practices in and outside hospitals. To their credit let it be said that they have not hesitated to give freely of their service without recompense. I especially mention the general practitioners, who made it a point of pride that no cases requiring attention should go unattended.

It should be pointed out that while doctors charge their patients who can pay, they also provide free attention to those who cannot pay. Unfortunately the public does not give the doctor credit for the large amount of service given gratis.

There are few hospitals which do not have a deficit at the end of each financial year. Often hospital boards attempt to make up this deficit by an appeal for voluntary support. Both in the financial help required and in the number of appeals in the past few years, it is doubtful whether the general public can satisfy this need, in view of the higher living costs and higher taxes. The heavy expenses incurred by hospitals, and to which these deficits are accountable, are largely in providing public ward accommodation and diagnostic services, in addition to the general costs of maintenance of the whole hospital. This places a heavy burden on the patient who pays for private or semi-private rooms. While considering hospital costs and accommodation, we must mention the number of chronic cases occupying beds which could very well be used for the treatment of acute cases. Unfortunately, there is very little in the way of hospitals in Canada for chronic cases. General hospitals in most areas are the only accommodation. These patients occupy active treatment beds for long periods at considerable expense, and cause a shortage of hospital beds for acute cases. The shortage of hospital beds exists in many provinces in spite of hospital grants as in Ontario, my own province, where the province and the dominion both give grants for new hospital construction on a rate per bed. But even with these grants, rising construction costs overcome the grants and these grants, while a help, are insufficient.

It is true that the federal government has made grants toward construction of a large number of hospital beds since the introduction of the health plans in 1948. These grants amount to $1,000 per bed for acute cases, and $1,500 per bed for chronic cases. When the late prime minister, Mr. King, introduced health grants in the House of Commons he said, as reported in *Hansard* of May, 1948, at page 3934:

> The proposed hospital construction grants represent only a portion of the costs of hospital construction. The balance will have to be met by provincial grants and by local funds from other sources.

There has been a sharp rise in building costs since that time. Building costs vary in different areas, but I am informed that in one Ontario city contemplating further hospital extension, the cost per bed has been estimated at $15,000. Allowing for the federal grant and the grant which will come from the province, this will leave a sum of approximately $1,300,000 to be financed by the province and the municipality.

I have mentioned hospitals for chronic cases and the fact that we are faced with a shortage of beds for this type of case. Owing to the introduction of new treatment, our population is increasing in the older age groups.

New treatment is making our population longer-lived. Diseases such as pneumonia, which afflicted so many people in advanced age and rated high in the list of the causes of death, is no longer such a menace. But it is natural that old people should ultimately become afflicted with some form of invalidism requiring institutional care. Not only old people but many in the younger age groups require care for chronic conditions. At present there is a shortage of beds for such cases and they become a problem for the hospitals requiring beds for the acute cases. Cancer cases may be included in this group requiring a long period of hospitalization.

Cancer may be regarded as the greatest problem facing medical research today, and any attack we make on this problem must be a long-term attack. Education must be an important factor. An educational program should emphasize not only early symptoms but ability to procure early treatment.

We must see to it that opportunities for early treatment and diagnosis are made available to every patient. In the last year for which I was able to obtain statistics, 16,258 people in Canada died of this disease. Better and more extensive facilities are required if we are to bring this terrible disease under some semblance of control. But the real tragedy of the fact lies in this, that many of these cases occurred because the disease was not recognized in its early stages, when a cure could have been effected. Although the number of cases of tuberculosis is slowly being lessened, yet we must not believe that a disease which caused over 4,000 deaths in the last year is under control. Not only is hospital care for this disease expensive, but it is a disease of early adult life, and occurs in the most productive age group.

In consideration of the mortality of 4,000 cases in the last year, we must also remember the thousands of people who have been cured, and the fact that this disease is a menace to our population.

We can be proud of our progress in maternal mortality, but our infant mortality rates are much higher as compared with other countries. A high percentage of these deaths occurred in the first month of life. In 1948, the last year for which I was able to obtain

statistics, 3,892 babies died because of premature. Excellent results have been obtained in handling premature cases, but such care is not available to all mothers. The infant mortality rate for Canada was 44 last year per thousand live births. I shall give the rate per province, because there is a variation in it. That information is as follows:

	Infant mortality rate per province
New Brunswick	61
Quebec	54
Nova Scotia	39
Manitoba	41
Saskatchewan	40
Alberta	39
Prince Edward Island	34
Ontario	35
British Columbia	33

And now, with the rate in Canada of 44 per thousand live births in mind, it would be interesting to hon. members to compare that with the world rate, which is as follows:

	Infant mortality rate
Iceland	22
New Zealand (including the Maoris)	22
Sweden	23
Australia	28
Netherlands	29
Norway	30
United States	32
England and Wales	34
Denmark	35
Israel (Jewish population)	35
Switzerland	36
Union of South Africa (whites)	37
Northern Ireland	45
Scotland	45
Ireland	49
Panama	50
France	51
Finland	52
Belgium	59
Spain	59
Italy	70
Austria	76
Japan	76
Ceylon	92
Costa Rica	92
Jamaica	92
El Salvador	96
Hungary	111
Bulgaria	130
Chile	160
Roumania	199

I would draw attention particularly to the rate in the United States as compared with that in Canada.

The number of deaths in Canada of children under five years of age was 17,899. Many of these cases were the result of communicable disease; yet a comparison of several years' statistics shows that there are wide variations between provinces.

[Mr. Blair.]

Several years ago, when I was speaking in this chamber regarding our infant mortality rates, I made the statement that these babies were the best immigrants that Canada could procure. They are the descendants of those sturdy people responsible for the building of our nation. Canada can ill afford to lose them.

It is not my purpose to elaborate upon statistics of all mortality rates in diseases, but I have mentioned these for the purpose of showing the further need for action in Canada. I could also mention the high and increasing incidence of mental disease and, again, the shortage of beds for these cases.

According to a recent statement by the bureau of statistics, the number of cases in mental institutions has increased proportionately by nearly 31 per cent in the last twenty years. The first survey since 1931 shows that 394 out of every 100,000 are patients in mental institutions. This shows an increase of 93 from the former figure of 301 per 100,000 registered in the 1931 census. These statistics are disturbing and we must take every means to lower these percentages. Hospital beds must be available, staffed with psychiatrists and trained personnel. Let me summarize our needs as follows:

1. Hospital beds for—

(a) acute cases; (b) chronic cases; (c) mental illness.

2. Adequate provision for early diagnosis and early treatment of cancer.

3. Relief to our people from the high costs of treatment, especially from the high cost of hospitalization.

4. Extension of program to train more personnel to staff hospitals, especially facilities to provide trained nurses.

5. Further program to cut down infant and child mortality rate.

If any health plan is undertaken it is essential to have a sufficient number of beds and sufficient personnel trained to carry out such a scheme. To anyone present who is satisfied with our present conditions, let me again refer him to the fact that such a large number of our young men were unfit for service in the last war. During my time in the House of Commons I have almost yearly pleaded for a health plan to overcome these drawbacks to our nation. In 1949 I made the following statement on behalf of the party and the position taken by it. This statement, as reported at page 1154 of *Hansard* for Friday, March 4, 1949, and which still stands as our policy, is as follows:

This party has long realized the necessity for a plan of health in the Dominion of Canada. Let there be no doubt where this party stands on that

now. We stand in favour of a plan which, in co-operation with the provinces, will give the people the maximum of services, and yet be a plan of freedom, where the doctors will not be civil servants, and which will allow free choice between doctor and patient. We have got a full realization of the deficiencies in treatment services, and we stand ready to implement a plan to overcome these deficiencies, and which will raise health standards in Canada to the equal of that in any other country of the world.

All political parties in this house are committed to health insurance. The Liberal party promised health insurance in 1919. Since that time, they have never at any time suggested that they did not stand by that promise, but on the contrary have reasserted it on a number of occasions. It is appropriate to point out that it would be unfortunate if any promises were made, in addition to those which already have been made, which could not be carried into effect.

The present government placed certain general proposals regarding a national health program before the dominion-provincial conference of 1945. These proposals may be found in the blue book relating to national health insurance, which was placed before that conference. Discussion of that part of the proposals did not proceed in any detail, because the government emphasized the fact that this could not be proceeded with until there was a full and general examination of this problem. That has been the position of the government, and it is for this reason that we have been pressing for some years to have an inquiry of this nature take place, which will provide the basic information without which no satisfactory plan for Canada can be developed.

Health grants were brought into effect in 1948. We gladly voted for these grants on the ground that any money voted for health purposes would help in some degree to cut down mortality and relieve suffering and misery. We felt that in many ways the grants were insufficient and only a stopgap to avoid dealing with a broader problem. Let me make this clear. We recognize that any health plan may accomplish some good, but at the same time by objectional features may not give return for the money expended, or may disturb certain relationships which should be retained if the plan is to meet with success.

For the safety of the state we have made commitments of $5 billion for defence. We require large sums for social security measures already in effect. Any political party which recommends the inauguration of a health plan must display a sense of responsibility and should not attempt to obtain political support by deliberately overlooking the difficulties in the way.

Let me emphasize that we stand for the introduction of a contributory health plan. When we form a government we will proceed with contributory national health insurance. But we think it should be carefully planned.

In the event of total war, there would be added a tremendous burden of taxes in addition to our already heavy commitments. The safety of Canada must rank first in our expenditures. In the process of development of a young nation there will be other expenditures of a nature vital to our growth and expansion. But we must realize also that medical science has infinitely more to give than the people receive. Professor Sigerist of the Johns Hopkins university has stated:

> We could eliminate venereal diseases in a couple of years at the cost of one or two battleships, but we are not doing so.

We have solved more difficult economic problems in the past. When we are attacked by an enemy we can raise the money we need. Disease is also an enemy. It may have a less spectacular attack, but it is just as pernicious as actual warfare. We can find the funds to fight to a victorious end this war against disease and misery.

In view of the fact that the high cost of sickness and hospitalization is becoming beyond the financial means of our people, for the safety and benefit of the state we must eliminate deficiencies in our present health situation and lay the groundwork for a plan of national health. There has been too much glib talk about such a plan without getting down to certain basic and essential considerations. We hear statements from time to time that the reason health insurance is not introduced in Canada is that there are insufficient beds to carry out such a plan. When such a statement has been made there should also be added another potent reason—that health is under the jurisdiction of the provincial governments.

The following steps are necessary before any plan can be brought into effect. Any political statement that does not take these steps into consideration is futile.

1. Under the British North America Act, except for marine and military services, health is under the control of the provinces. There must be no interference with that right.

2. Before any plan can be brought into effect there must be further consultations with and between the dominion and the provinces, and agreement reached. It will be necessary to make financial agreements and allocation of funds.

3. There must be a thorough investigation in advance as regards the best type of plan.

4. The plan must meet the approval of municipal and provincial authorities. Medical authorities must be fully consulted, as to a large degree success of the plan rests with their approval.

We should proceed to lay the groundwork of the plan by calling a dominion-provincial conference and open discussions. I believe that all provinces are willing and anxious to better health conditions in their respective provinces, provided there is no interference with their rights to control health services. There should be a thorough investigation of conditions in addition to the mass of information already accumulated.

Because of the fact that municipalities are today so gravely concerned about their increasing obligations in connection with the construction of new hospital accommodation, and also the maintenance of existing hospitals, I have stated that the municipalities should have a part in any discussions that take place. Municipalities gain their power and existence through provincial legislation. The municipalities are the authorities mostly concerned with the responsibility of assuring that the hospitals continue to operate on a satisfactory scale. For this reason I would strongly emphasize their place in any preliminary discussions and in the steps which will lead up to satisfactory agreements.

As for the type of plan, let me state that some of the prepaid plans already in existence are unsatisfactory. Other plans are rendering excellent service. Very often people do not read the clauses in their contract, sometimes in small print, and find themselves where they are not fully covered for insurance. The hon. leader of the C.C.F. party (Mr. Coldwell) stated in his speech that the plan already in existence in England would be satisfactory.

Mr. Coldwell: Satisfactory there, I said.

Mr. Blair: This plan is unsatisfactory. It is a plan with a very heavy drain on the treasury. Owing to the socialistic nature of this scheme, it is arbitrary, with features unsuitable to this country. In any plans for Canada it is essential that doctors be not civil servants, and the fine relationship between doctor and patient must be preserved. There must be a free choice and it must be a plan of freedom. It is quite plain that the subamendment favours a plan of state medicine. It is also plain that consultations with the provinces must be the first step, followed thereafter by legislation. We are in favour of a contributory health insurance plan for this country, and that we proceed to lay the groundwork for the plan as our finances permit; yet we must be careful of the choice we make. Under these circumstances we cannot support the subamendment.

Mr. William Bryce (Selkirk): Mr. Speaker, I want to take advantage of this opportunity to take part in this debate as there are one or two things I should like to draw to the attention of the government. Before I do that may I say that I support the amendment to the amendment moved by the leader of the C.C.F. (Mr. Coldwell). As the subamendment has been read two or three times I shall not read it again.

I think it is safe to say that national health insurance is long overdue. It was in the platform of the Liberal party in 1919 and has been discussed many times since. The government and other organizations have compiled about 40 reports in the last 30 years dealing with national health plans.

National health insurance is not something new. As a matter of fact many countries have had national health plans for a great many years. These countries are Norway, Sweden, Belgium, Denmark, New Zealand and the United Kingdom. Of the larger countries only three are without health insurance, namely, Canada, the United States and Australia; but Australia has a hospitalization plan of some kind. I had the privilege of meeting a group of parliamentarians from all over the commonwealth, and while we discussed many subjects naturally health insurance in the United Kingdom was one of the things we discussed. I talked with different members about the plan they have. There was general agreement that, while there might have been some difficulties in the plan when it was first introduced, it was today not only the most popular piece of legislation in the United Kingdom but also the most beneficial.

When we think of the various organizations that over the last several years have asked for a national health scheme or plan for this country, we find that they make a very impressive list. We have several representative organizations such as the federation of agriculture and other farm organizations, both national labour congresses—the American Federation of Labor and the Canadian Congress of Labour—the Canadian and Catholic Confederation of Labour, the railway transportation brotherhoods, the Canadian Legion, the board of evangelism of the United Church of Canada and numerous other organizations which have all asked for a national health plan.

It seems to me that if other countries can provide their people with health insurance there is no reason why Canada should lag behind. Travelling throughout the country one

meets very few people who have anything against health insurance. One runs up against the problem sometimes of where the money is going to come from. When we consider the cost of a national health plan we should remember that it will not be a new expense for the nation. We are already spending vast sums on health services which are inadequate. It is estimated that Canadians spent $500 million for medical and hospital bills last year, and our government spent $175 million for various health services. Altogether therefore the Canadian people, as individuals and as governments, spent approximately $675 million. That is something that people should remember, especially those who criticize health insurance on the ground that it would cost too much.

Health insurance would replace the amounts spent by individuals and would replace a large portion of the present expenditures by federal and provincial governments. The C.C.F. believes that the bulk of the cost can likely be met out of present budget surpluses and that there need not be any substantial increase in taxes to pay for it. However, if it is found necessary to make special financial provision to meet some of the cost the C.C.F. believes that the supplementary amount should be raised by a social security contribution graduated according to ability to pay.

I could go on longer, Mr. Speaker, dealing with this subject but I think it has been pretty well covered and I have some other items that I want to place before the government. Some time ago I saw in the Winnipeg papers that Mr. Patterson had resigned from the board of transport commissioners in order to become lieutenant governor of the province of Saskatchewan. I watched the papers to see who would get his job on the board, and in due time I saw the announcement by the minister that Mr. Matthews of Kingston had been appointed. At the time I thought that was funny, an easterner taking a westerner's job, but I waited. I thought that perhaps there were too many westerners already members of the board, but later I found that there is only one western man on it.

It is a disgrace that western Canada has only one representative on the board of transport commissioners. I made it my business to find out who the members of the board are and I have the information here. The chief commissioner is the Hon. Mr. Justice John D. Kearney of Montreal. The assistant chief commissioner is Hugh Wardrope of Hamilton, Ontario. The deputy chief commissioner is Armand Sylvestre of Quebec. The commissioners are Frank M. MacPherson from Ontario, but thank goodness he can represent the west because he spent twenty-five years there. He knows the western train of thought. Then there is Howard B. Chase of Ottawa and the gentleman who took Mr. Patterson's place, O. A. Matthews, Q.C.

I think it is terrible that there should be only one westerner on the board. We had two but one left and another easterner was appointed. We of the west, who bear the brunt of any freight rate increases, have only one representative on the board. I do not think that is fair. Central Canada is sitting in a fine position so far as rates are concerned, because rates are lowered to meet truck and water competition. With five members of the board coming from Ontario or Quebec, it is just not good enough for the western people.

Mr. Brooks: How about the maritimes?

Mr. Bryce: And the maritimes too. I have a big enough job fighting for the westerners without fighting for the maritimers but I can assure those who come from the maritimes that I am sympathetic to them. You have no representation whatever on the board and we have only one member who comes from British Columbia. Then there are Manitoba, Saskatchewan and Alberta which, as I said before, bear the brunt of any increases in freight rates made by the board.

Mr. Brooks: Most unfair.

Mr. Bryce: The west wants a square deal so far as representation on the board of transport commissioners is concerned. The minister may tell me that the act does not say where a man must live in order to be a member of the board, but it is only common sense that the west should have representation. This sort of thing creates disunity in Canada. It creates the impression that we are a country of two parts, the haves and the have-nots. Continued high freight rates can easily lead to a depressed economy in western Canada. Such a calamity should be headed off by the government immediately pending the appointment of additional western representatives on the board of transport commissioners so the western point of view can be given adequate consideration.

I have another matter I want to raise at this time and that is the question of the war veterans allowance. I have been requested to do so by the Legion branches in my constituency. The minister certainly did something for members who asked for an increase because the pensions were increased last year from $40 to $50 for a single veteran and from $70 to $90 for a married veteran.

Mr. Brooks: The war veterans allowance.

Mr. Bryce: Yes. The recommendation was made by the Legion that the rates should be $60 and $120. When you consider the cost of living today, and then consider what you paid for the same things when the pensions were set, I think you will realize that the Legion is not asking for too much. Many cases could be cited in which the circumstances warrant a much higher pension. I have in mind a veteran who is paralysed on one side and unable to work. One of his girls is training to be a nurse, and she receives only $5 per month. He has two other children for whom to provide. With an income of only $90 per month, this family must do some real planning to exist. The Canadian Legion's request has been a reasonable one, and speaking as a member of the Legion I think it should have further consideration.

I want to call attention to a matter that I raised last year. I spoke about the sewage disposal system at Roblin Park subdivision in my constituency. The department was good enough to make an investigation, but the engineer who was employed to make the investigation was the engineer who laid out the scheme in the first place. Surely the V.L.A. did not expect Mr. Scott, the engineer, to condemn his own work. If I hired someone to build a house and the occupants were not satisfied with the work done, it would be of no value to ask the man who built the house in the first place if he had done a good job. I am sure the same thing would be true in this case. Mr. Scott did the work in the first place, and having inspected the work is satisfied. In section 18 of his report he says:

> With intelligent operation and maintenance therefor, I am of the opinion that these sewage disposal systems will give satisfactory service—as they did during the first years of operation. They need first however to be cleaned and freed of obstructions. Many an owner with a pump (a necessity) and hose and a few tools could do most of this work himself.

It is difficult to understand, after reading Mr. Scott's report, how he determines that this sewage system is in good shape, in view of the quality of the gravel and the distribution of the fluid throughout the field. Some digging was done and an examination of the laterals was conducted, but that was all that was done at Roblin Park. I understand that at some of the other places they did more.

In paragraph 4 Mr. Scott states that some of these tanks have given trouble-free service for from two to five years. About twenty disposal fields were frozen during the winter of 1946-47, which was the first year of operation. The number of frozen systems has steadily increased every year.

In paragraph 13, Mr. Scott states that his inspection revealed that in practically every case the drainage tile was partly filled, and in some case completely plugged, with material which seemed to be tea leaves, coffee grounds and other such materials which did not disintegrate. Such materials should be classed as garbage and burned. At the time of the inspection the veterans requested the V.L.A. officials to have laboratory tests made to ascertain what really was in the pipes. I can find some of these veterans who would swear on a stack of bibles that they never put tea leaves or coffee grounds in that system.

I have some photographs here that I wanted to show the minister, but evidently he has stepped out of the house. When they dug up some of these fields they found that in some places the pipe was crushed by a stone. When the pipe is crushed flat it could not possibly allow the sewage through. In one case a hole was dug at the end of the lateral and then one of these roto-rooters was used. It was discovered that one pipe was about four inches below the other pipe. How could you expect such a system to work. This just shows the folly of sending a man who did the work in the first place to see if it works all right. If the department wants to do the fair thing for the veterans, they will send somebody else to look into it.

The following is a description of what was found at one residence:

> Residence of H. A. Putman, 277 Pepperloaf Crescent—(1) Second lateral on the south side, removed piece of broken tile and after roto-rooter passed through and completely cleared the lateral. Level of this lateral too high to allow water to show at end when tank flushes.
>
> (2) Third lateral on the south side cleared by roto-rooter. Also too high of level to show any water when tank flushes.

If I might explain, I would say that the tile is laid in a trench. The end of the trench next to the house is lower, so the water remains there and freezes. In another case the tile was laid in soft soil instead of hard-packed soil so that it would hold its position. The fill used was unsatisfactory because sand and large stones were used instead of the crushed stone. In some cases a test was made by plugging one end of the tile, and then when the tank was flushed no water appeared. This shows that the tile is not properly set. No purpose is served by going over all these cases, because they show the same thing. I was delighted when the minister said he would investigate the matter. I thought I had done something for the veterans. The investigation consisted of digging a hole, but the veterans are still pumping sewage out in that district.

Someone said the minister just came in, but I do not see him. I hope he will come in because I should like to talk to him about this matter. I do not know how long these

conditions are going to continue. I do not know how long the provincial sanitary authorities are going to tolerate this condition in a district in which children are playing. I visited these homes before I left and found the men pumping out sewage. You may ask where they pump it. They pump it on to the next fellow's land and then he pumps it on to the next fellow's. The area used to be an old hay swamp, and the land is water-soaked. The soil will not absorb the sewage. I appeal to the minister to do something about this problem to assure the veterans a square deal. Things cannot go on as they are at the present time at Roblin Park. They need immediate attention. I have obtained these photographs to prove that what I am saying is correct. It is not something that somebody else told me and about which I am exaggerating. I was there. I saw the situation for myself. The actual photographs that were taken are here. A new school was built there, but those who built it certainly made sure that they did not run the sewer into the hay swamp this time. They ran it into the river, and I think that is the solution to this problem. There should be a large sewer system and it should be sent into the river. Nothing was good enough for these follows when they went to fight for us. Now that we have sold them houses, if the sewer system does not work their houses are worth about $1,000 less than they agreed to pay for them.

I want to say something about pork and the reduction in the floor price from 26 to 23 cents per pound which takes place on December 31. That is $4.50 a hog less that the farmer is going to take on January 1 than he will get on December 31. This reduction will certainly hit the small producer. A great many pigs are produced by the small men. It is a sideline with them, and this reduction in the floor price is going to hit them hard.

Another point to consider is that this price cut may actually force many pork producers out of the business altogether. This would result in a shortage, with pork becoming scarce and prices rising again. Is this not contrary to the policy of price stabilization, without which this industry is doomed to failure? Unless parity prices can be guaranteed over a reasonable period of time, enabling the producer to plan his industry, the inevitable result is instability. An inadequate floor price of 23 cents a pound, with no long-term markets assured, is bound to produce instability.

The government refers to this 23 cents as a floor price; but experience in the past has shown that government floor prices often become ceiling prices in actual practice. Indeed, recent experience shows that there is no guarantee that the farm producers will receive even an inadequate floor price set by the government.

All these uncertainties come at a time when it is forecast—and I quote the economic division of the Department of Agriculture—that the net farm income will drop 5 per cent below that of a year ago; for farm operating costs and depreciation charges are higher than they were a year ago. The short-sightedness of the government's policy is illustrated by the fact that it is reducing the floor price two months before the United States embargo on Canadian meats is removed. It was announced by the minister that it will be removed on March 1, 1953. Why does the government not wait to determine what marketing conditions will exist in the United States after March 1? There is no assurance yet that our meat exports to the United States, when resumed, will be under the same conditions that prevailed prior to February 23 last. Indeed there are indications that the shortage of United States supplies which existed at this time last year—and upon which our meat exports depended—may have been substantially made up in the interim by the recent increase in production in that country. One does not have to be a prophet to foresee that once the United States is able to produce to meet its own needs, Canadian meat producers will again experience a loss of markets in that country.

There is also little prospect that the present commonwealth conference, even if it should prove to be a success, will be able to solve overnight the problems that hinder our trade with the United Kingdom. In this connection I wish to emphasize that it is my opinion that our government should take whatever steps are necessary to promote the maximum amount of trade at the earliest possible moment between Canada and the United Kingdom and other sterling countries. Instead of cutting production we should try to get some agreement with the United Kingdom. Get a five-year agreement and set a price. Then producers will know where they are as to price and the outlet for their produce.

Already there are plenty of signs that unless new market outlets for pork are forthcoming in the near future, serious curtailment of pork production will result. In some areas there has been an actual reduction of 30 per cent in sow breedings. I have here a clipping from the *Rural Co-operator* of November 27, 1952. The heading of the article is "Urges Hog Producers Avoid 'Same Old Stew'" and it reads as follows:

Bruce county survey of hog production from Tara to Port Elgin, and another survey in Carrick have

shown a decline of about 30 per cent in sow breedings. These surveys will be taken every six months to direct the production of hogs.

The present drop indicates that if farmers keep the present number of sows they will be able to meet the limited market situation, but if any further breedings occur they will be in the same old stew with too many hogs.

Anybody wishing to take advantage of the 30 per cent decline in production, by breeding a large number of sows, is a short-sighted producer and has more concern for his own interests than the over-all good of the industry.

2 Equals 3

Why feed three sows when you can get just as much money by feeding two? Co-operation is necessary from every producer in trying to gauge our production to meet the market outlets.

The Federation of Agriculture will keep the farmer posted on production survey every six months. If as a result of this, speculators sneak into the business, it will mean that the steady producers will be asking for a controlled production.

The prospects for this important Canadian industry are not bright unless long-term markets with guaranteed stable prices can be obtained. I believe in forward prices. I have seen them in operation in New Zealand, Australia and Great Britain, and the farmers seem to favour them. If we would only try them on some things I think we would see how well they would go here.

I do not wonder why labour is always asking for an advance in wages. If we could stabilize farm prices and guarantee the farmer the same price for five years, with certain qualifications, labour would then have no justification for asking for increased wages. Labour generally asks for increased wages when something has become scarce, when the farmer has not produced enough of it. Then they want higher wages to buy the product at the new prices. Therefore I think forward prices would do a wonderful job for the farmers, and at the same time they would stabilize prices in the whole country.

I should like to have said something about cattle prices, but my time has expired and I shall conclude my remarks.

(Translation):

Mr. L. D. Crestohl (Cartier): Mr. Speaker, first of all I wish to congratulate our two new colleagues on their excellent speeches in connection with the address in reply to the speech from the throne. The hon. member for Brome-Missisquoi (Mr. Deslieres) and the hon. member for Waterloo North (Mr. Schneider) have well maintained the dignity and good reputation of this house. I wish them a very successful parliamentary career.

(Text):

I am moved to enter this debate by the glaring and inconceivable contradictions in the facts and the figures presented by hon. members on the opposite side of the house during the sessions of the present parliament. Their doing so can perhaps be epitomized in the simple statement, that constant demands for large expenditures are made by them on one day, and equally vehement requests for reductions in taxes are made by them the next day. This, Mr. Speaker, is an obvious inconsistency. One cannot, even though he may be possessed of the most ingenious devices, call for increased expenditures and reduced taxes at the same time, and expect to achieve both objectives.

Let us first take a brief look at some of the additional expenditures and payments of large sums of money which have been and are constantly being urged by the hon. members of the opposition. They suggest, for example, that the government spend money for projects they consider so very vital to the interests of the country, such as the setting up of a national peace park—an item of extreme importance—without which our country could not progress. They further suggest that the government spend money to build a wall to protect an island near Toronto from erosion—another very vital matter that calls for expenditures, according to their judgment. They suggest that the government spend large sums of money to build an Alaska railway; to set up a modern merchant marine; to establish a bigger travel bureau and, Mr. Speaker, to give Great Britain a gift of $100 million and an additional credit of $80 million; also that we organize and set up a Pacific peace pact. These are suggestions that have come from the hon. members on the opposite side of the house. All of these they have suggested of their own motion, and in their burst of generosity they urge the government to supplement expenditures which already have been initiated by legislation of this house. They advise the government to increase the subsidies to farmers; to vote huge subsidies for federal aid to education and increase the subsidies to universities. They urge an increase in soldiers' pensions; an increase in old age pensions, and to make greater defence expenditures. Most recent of all, Mr. Speaker, they now urge the government to set up a national health plan.

I wish, Mr. Speaker, and I am certain the government does, too, that there was available sufficient money to do all these things without calling on the taxpayer for the necessary funds. But unfortunately there is no other way of doing so. To provide these funds would require a substantial increase in our national revenue and the consequent imposition of additional taxes. That is very obvious, but the irony of the situation is that with the request for all these things there is an overtone in what the hon. member for St. James (Mr. Beaudry) yesterday called a symphony,

calling for reduced taxes. That is just not possible, and I believe, Mr. Speaker, that the conductor of this inharmonious symphony knows full well that this music is nothing but an election air.

Why then are the house and the country consistently dunned by the continuous banging upon the bass drum for reduction of taxes? Of course the position taken by the opposition is obviously motivated by a desire to embarrass the government in power rather than to help the people. The Minister of Fisheries (Mr. Sinclair) so very appropriately described these tactics in his address to the house on February 12 of last year, when he highlighted for an opposition the typical Tammany Hall precept: Never vote for a tax measure, and never oppose a public expenditure. It is therefore very simple to detect that this constant paradoxical and contradictory position has ominous motives. Is it the welfare of the country that is considered first, or is it the welfare of a political party that is sought?

Political parties must essentially place the interests of the country before the interests of their party. A famous British statesman once said: "My God comes first; my king comes next; my country follows, and then, and only then, my party". It is my respectful submission, Mr. Speaker, that the tactics of the hon. gentlemen of the opposition ignore this dictum and disclose a lamentable preference for party interest over the welfare of the country as a whole. That is sad indeed.

Why do they choose to forget the great advances made by our country in every way, and choose instead unjustifiably to harp on trivial, relatively unimportant matters? These manoeuvres, Mr. Speaker, are intended only to befog and obscure the progress of our country, and because of this it is necessary to remind the people again and again of the great achievements that have been attained.

Let the people of Canada judge from the record—from the whole record, Mr. Speaker, and not from incomplete extracts slanted for political purposes. And in looking at the record, Mr. Speaker, I am not so much concerned with the fortuitous and accidental discoveries and the worth of our natural resources; but I do want to look at the record showing the direct results of the planning, ingenuity, foresight, courage and daring of men, men of government, who I admit may not be faultless, but who nevertheless have proven by their accomplishments a perspicacity and judgment which merits the fullest and fairest recognition by all men of justice, irrespective of what side of the house they may sit on.

Referring, for example, to our advances in direct and intimate welfare and benefits to the people of our country, I cite only some of the legislation which our government has enacted: The veterans' charter which, together with subsequent amendments, provides for our heroes and their dependents in a way which is a model, excels similar legislation in any other country in the world. Is this a cause for criticism and for impeding the government's progress? Our legislation on unemployment insurance, family allowances and old age security is such that it challenges similar legislation in any other country, and provides our people with a social welfare program as good as if not better than any in the world. And no other country, Mr. Speaker, within such a short space of time provided its people with better social security legislation. It may hurt politically for our friends to admit this, but as men of honour and truth they cannot help but agree, and admire it. Is this a reason why our government should be criticized, ridiculed and sniped at from every salient?

Now let us have a further look at the record from the international standpoint. Our country, in proportion to its means and population, during the last seven years has done more for the preservation of peace throughout the world than any other country. This is a universally accepted fact. The dedication of our diplomats stands out over that of the diplomats of the entire world in this phase of international relations to the point where the recognition of the world acclaims the wisdom and the sense of justice of our representatives by offering to them the most responsible posts in international councils.

Is this cause for justifiable criticism? Again I emphasize that, as hon. gentlemen, our friends on the opposite side must admit —perhaps with a secret and glowing pride— the soundness of these facts.

All records disclose that our commercial and industrial progress has been truly miraculous and amazing. I use the term miraculous because our Minister of Trade and Commerce (Mr. Howe) accomplished what he did notwithstanding the prophets of doom, some of whom sit on the opposition benches and who predicted insurmountable depression, unemployment, hunger, the collapse of our economy, the halting of industry and the impossibility of doing anything advantageous for the people of Canada. But let us see briefly what world opinion thinks of our position today. In this connection I

quote an extract from *Time* magazine of February 4, 1952 where, at page 25, it states:

> Since 1939, Canada has: Quadrupled her national production, made a 50 per cent advance in the Canadian standard of living, raising her average income for a family of four to $4,000 a year—$622 above the corresponding U.S. average, kept her finances in splendid solvency.
>
> Canada's growing industrial muscle has expanded her world influence to an extent never before achieved by a country of 14 million inhabitants. The swelling flood of foodstuffs, metals, oil, newsprint and goods flowing from her fields, forests, mines and factories has given Canada a position of importance in the free world's councils subordinate only to the U.S. and Britain. Canada now supplies:
>
> More than 90 per cent of the free world's nickel, and an important share of the zinc, copper, aluminum, and other strategic metals for the west's defence.
>
> Half the world's newsprint; three out of five of the world's newspaper pages are printed on Canada paper.
>
> A growing share of North America's oil and natural gas from the new-found Alberta fields, the "Texas of the north".
>
> A substantial supply of uranium for U.S. atomic bombs.
>
> The world's second-biggest export wheat crop, a source of food for 71 nations.
>
> Canada's vast area throbs with industrial action.
>
> This spirit of growing confidence, both at home and abroad, has helped attract an ample supply of fresh capital to keep the boom going. Canadian investors, who were once somewhat timid about their own prospects, last year plowed back a record 22 per cent of their national income into new development. United States, British and Swiss capital is rushing into the bullish Canadian market. American investors have put more than $7 billion into Canada, the heaviest U.S. stake in any foreign country. And the flow is increasing steadily, as Canada shows that she has both the wealth and the men to work it.
>
> The free nations overseas also look to thriving Canada for assistance. She is the only member besides the U.S. who can pay her own way and help the other eleven countries of the North Atlantic alliance. Canada has already shipped $145·4 million worth of arms to NATO allies and has sent troops to Korea and Europe. But more is expected, and from a nation of Canada's strength and promise, more will surely come.

I should like to add that similar opinions in various forms have been expressed repeatedly in leading financial, commercial and industrial publications in most of the democratic countries of the world. That is what the world thinks of the achievements of our government, and the present position of our country. Well, the right hon. minister has performed the impossible. I am reminded of a quip which was produced in a reply by an Israeli when he was questioned, in wondrous amazement, about the things being done by his little country which appeared impossible. He was asked, "How do you manage to do all these things? Some of them are impossible; the other things are extremely difficult." "Ah", replied the Israeli, "we have a system. First of all we do the impossible things, and then when we have a little more time we do the difficult ones." That, perhaps, is the secret weapon of our efficient minister. First of all he does the things that seem impossible, the things that hon. members on the other side of the house thought were impossible, and when he has a little spare time he does the difficult things.

There is the record on this level. Can these accomplishments and achievements be criticized justifiably? Is this not a truly miraculous record of progress? Should this not provoke the admiration of hon. members of the opposition, if they considered the welfare of the country before the welfare of their party? What, then, is the resultant status of these prophets of doom when, in the face of their predictions, just the reverse has been achieved? Some hon. members opposite saw discouragement, depression, want, hunger and an ominous future for our country. On this side of the house men looked upward with courage, determination and conviction and, in spite of continuous road-blocks, this record of achievement which I have just presented was attained.

We then come to the great concern of hon. members of the opposition with respect to the reduction of taxes. If the opposition was sincerely anxious to keep taxes down, why did it not oppose the financial assistance voted to the victims of the Fraser river floods, to the extent of $5 million for rehabilitation and $4,500,000 for repairing and strengthening dikes? They did not oppose it because it was not politically wise for them to do so. Why did they not oppose the voting of funds to assist the victims of the Rimouski fire, to the extent of $2,500,000? Oh no, it was not wise for them to oppose it. And the same thing applies to the victims of the Cabano fire, to the extent of $300,000. Why did they not oppose and vote against the contributions to the victims of the Red river flood, to the extent of an interim payment of $12,500,000 plus 75 per cent of all re-diking costs? Why did they not vote against the grants to universities in the sum of $7 million? Why did they not vote against the bill to establish old age pensions to the extent of an estimated $365 million a year or $1 million per day for every day of the year? Why did they not oppose and vote against the payment of family allowances to the extent of an estimated $350 million?

At the time these requests came before the house, not only did members of the opposition fail to oppose these expenditures; on the contrary they approved them unanimously because it was then politically wise for them to do so. But what do they do today? Today when political exigency makes it advisable they change their tune and

accuse the government of overspending, which makes taxes high. If they had voted against these measures I could understand their statements today about high taxes, but having voted for these expenditures they know full well, and the country does too, that their complaint is nothing but a purely political outcry.

These tactics are so obvious that they require no emphasis. So are the tactics disclosed by the following specious type of criticism which we have been hearing. If ministers travel in their line of duty the opposition refer to them as flitting about the country for political purposes. If they do not travel and remain in Ottawa at their desks, they are criticized for being arm chair diplomats. If they are on the alert for preparedness against a sudden attack and stockpile essential supplies, they are criticized for overspending. If they do not take the necessary precautions they are criticized for exposing the security of the country to grave danger. If they vote allowances to veterans they are criticized for creating a need for higher taxation. If they do not, they are criticized for neglecting the heroes of our country. If the government subsidizes education in Canada there is another outcry of throwing a burden on the taxpayer. If they do not, they are charged with neglecting the future citizens of the country. If the government makes provision for needy families, indigents and the older citizens of our country, they are criticized again for making it necessary to impose taxes. If they do not, they are criticized for being indifferent to the progress of social security measures. If taxes are not reduced, the government is most severely criticized. If taxes are reduced, the government is accused of doing it for political purposes.

An hon. Member: Hear, hear.

Mr. Crestohl: Exactly; hear, hear. How far can a political party go with this double talk? Do hon. members of the opposition really think they can hoodwink an intelligent public by singing one tune one day and another tune the next day? It is apparent that the hon. gentlemen are attempting to focus the attention of the Canadian public on unimportant trivialities in order to detract their attention from the basic and important things achieved by the government of this country.

I was astounded to hear intelligent men make an issue of 14,000 serving forks, or even three times 14,000. If sufficient serving forks were not available then the very same gentlemen would complain from the floor of this house that our men were being neglected and deprived of the most primitive comforts. I was equally surprised to listen to a complaint that essential stores and supplies are stockpiled for the armed forces; too many shoes, too many uniforms, too many raincoats. What a cry would come from the floor of this house if a shooting war was to break out and the country was not prepared to provide uniforms, clothing and shoes for the many thousands of men and women who would suddenly be projected into military service.

Is that not the better part of wisdom rather than to be caught short? Ah, but it makes good ground for criticism, and so it is exploited to the limit. I am confident that the Canadian people will see through these beguiling tactics.

How amusing too is the issue made about neckties. So the army has ordered three times the number of neckties that there are men in the services. I do not know how often the army issues neckties, but I know they certainly wear out very quickly. But even this is used as a basis for criticism, insignificant as the item is. I am certain that this argument only helps to emphasize to the people of Canada how very shallow and puerile are the grounds for the criticism levelled by the opposition against the government.

At this point I should like to commend the Minister of National Defence (Mr. Claxton) for the full and satisfactory explanation he gave the house with respect to the forks, neckties, shoes, uniforms and raincoats. He most thoroughly exploded the entire myth which the hon. gentlemen opposite have attempted to create, a myth which was without any substance and was even devoid of sound political air to the opposition. I feel certain that he left nothing unexplained which could be the basis for criticism in any of these trivial matters. In fact I consider it a high compliment which the opposition is paying quite unwittingly to the government when for its criticism it has nothing more serious with which to make an assault than these insignificant matters. After all, when you reflect upon the tremendous obligations which the government is called upon to discharge and the fantastic responsibilities which the government carries and you find nothing more serious to criticize, then I say that even if they are true—and indeed they are not—the over-all consequence of this great but empty demonstration by the opposition is a mark of the greatest flattery to the government.

I am sure that the people of Canada understand this and they no doubt realize by reaction that this country has had, indeed, a fine, trustworthy and competent government.

The many facets of its responsibilities are almost faultlessly co-ordinated by a competent administration which has placed our country in the enviable position in which it is. What more could have been done?

Canada has acquired a position of preeminence throughout the world. How much greater could such an achievement be? How much more recognition could our diplomats bring to Canada than to be amongst the topmost diplomats in the world? Our currency is the strongest in the world. How much more perfect than the strongest in the world can the hon. members of the opposition expect our currency to be? Canada is reputed to have the soundest industrial policy in the world. How much better than the soundest industrial policy in the world can our friends in the opposition expect our industrial policy to be? Canada is attracting the greatest quantity of foreign capital in the world. How much more than the greatest quantity in the world could the hon. gentlemen in the opposition expect Canada to attract? Our social security program is reputed to be the best of any country in the world. How much better than the best could the hon. gentlemen of the opposition expect our social security program to be? This country enjoys living conditions that are the envy of the entire world. How much better than that could the hon. members of the opposition expect living conditions in Canada to be?

If we take a look at Canada today, impartially and purely objectively, we will see a country which abundantly discloses a steadily expanding prosperity in every field of trade, commerce and industry. We will see a country with a minimum of unemployment or poverty, a country whose people earn reasonably satisfactory salaries for their labours. We will see a country in which there is an abundance of food and comforts, a country with an enviable educational system available to every child. We will see a country which enjoys most respectful international relations. We will see a country with the finest social security program in the world, a country in which there is full and complete enjoyment by everyone of the four basic freedoms—yes, Mr. Speaker, a country which is a model of true democracy.

What more, therefore, could any country in the world wish for? We are indeed blessed. Let us all recognize it, every one of us, government, opposition, the people of Canada, and let us work together to preserve it, not to change it, but to preserve it, in peace and national unity, for our ever-growing country and for the generations that will follow.

[Mr. Crestohl.]

Mr. G. W. Montgomery (Victoria-Carleton): Mr. Speaker, being a new member it is with hesitation that I venture to take part in this debate. I desire first to join other hon. members in extending my compliments and congratulations to the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne for the excellent manner in which they acquitted themselves in their first addresses to hon. members of this house. I certainly go along with the hon. member for Waterloo North in extending my compliments to the hon. member for Brome-Missisquoi for his fluency in both French and English. It is an attainment which I should like to achieve even if in a much lesser degree. Having entered parliament on the same day as these two hon. members, I feel a friendly and neighbourly kinship toward them even though they appear to have been misled in their early political training. Nevertheless I am very glad to compliment them as I feel they made a good contribution to the debate and performed a service for their constituencies.

Just as the hon. member for Waterloo North spoke with pride of the industry, thrift, integrity and other qualities of the people of his constituency, I can likewise claim those qualities for the people of my constituency. Yes, I can claim them for both French and English. We live and work side by side and enjoy the best of relations. Like people in other parts of the maritimes we respect ourselves, we respect each other and share a common pride in our community life, in the industries and institutions which have been built up in the lands by the sea.

I should like at this time to pay a compliment to my predecessor, a man beloved by the people of my constituency to whom he gave unstinting service until his passing. Although in poor health during the last year he never spared himself and always put the interests of his people first. The loyal friendship of one's associates is an outstanding achievement, and that the late Mr. H. H. Hatfield attained.

I should also like to congratulate at this time the hon. member for Coast-Capilano (Mr. Sinclair) and the hon. member for Vancouver Centre (Mr. Campney) on their promotion to the cabinet. The hon. member for Coast-Capilano of course is no stranger to us in New Brunswick. He has been down there before, but now that he has become

Minister of Fisheries I am sure we will welcome him a great deal more because in the maritimes we are very much interested in his department.

Since becoming a member of this house I have listened with a great deal of interest to the speeches of hon. members. One cannot help but be conscious of the privilege and responsibility of helping to shape and build this vast country of ours which we are so proud to call Canada. The House of Commons is the nerve centre of our nation where east meets west and the central section is the host. The problems, privileges and obligations of the two great races in this vast area are discussed as well as the requirements of different sections of our country, and by a tolerant democratic method we hammer out on the anvil of good will laws that serve to unify this great land.

One cannot help but be inspired by the surroundings of parliament hill. On every hand you see evidence of statesmen who have, each in his own way, contributed to the building of Canada as a great democracy, a country which today in a very troubled world is an outstanding example of unity, tolerance and prosperity of people of different races, languages and habits.

This takes me back to my own constituency, a lovely section of New Brunswick lying in the beautiful Saint John river valley, settled and hewed from the wilderness by French and English speaking people who have continued to live in harmony side by side during the last 125 years. It is a portion of my province which we hope in the near future will become industrialized in large measure as a result of hydro development which at the present time is under study.

When I speak of "capital" you may think of property, stocks and bonds; but to the people of my province, and I think to the people of the maritimes generally, the word has another meaning. It is the capital of the spirit which is not only the basis of our economy but is our very way of life.

The people of my riding depend upon mixed farming, lumber and potatoes. As many hon. members know, potatoes have become a highly specialized crop with a great potential value on the one hand but a tremendous risk on the other. Potato raisers may become wealthy in a few years but just as quickly may face bankruptcy. There is something very fascinating about handling and raising potatoes. Large fields of potatoes in blossom are a beautiful picture, and when I refer to large fields I refer to hundreds of acres in some places.

This year the potato grower is very happy. His "spuds", as we call them, are a reasonably good price and are likely to remain so until the crop is cleaned up. However, it is a crop that cannot be carried over. The amount of money a potato farmer ties up annually in seed, fertilizer, spray materials, help and machinery is tremendous, to say nothing of his investment in land and necessary storage facilities. That is why in years of no market or low prices bankruptcy stares these men in the face and, make no mistake about it, the year 1950-51 put a lot of farmers on the rocks. They fell back on grain, hay and stock, but due to the drought this year hundreds of acres of the oat crop were not even harvested. In my constituency a good part of the grain crop that was harvested has not given more than a 50 per cent return. This season has created a difficult situation for the mixed farmer. He has no grain to sell, but still worse he is faced with the prospect of having to buy feed or dispose of his stock. Either of these possibilities would be disastrous and, notwithstanding the hardship of the coming winter, they will face another seeding season empty-handed. A situation such as we are facing this season in my constituency is discouraging, to say the least. Those who were able to finance a potato crop last spring are having a feast, while the mixed farmer is facing a famine.

Our farmers have no market for hay, and no substantial market for beef or pork. However, the farmers are hopeful now that the United States government has announced its intention of lifting the embargo in the near future. This may afford an outlet for our hay, but the farmers have been reducing their hog production.

The farmers inform me that when the English market was lost, there was no other to take its place. It is for this reason that the farmers in my province are hoping something good will come out of the commonwealth prime ministers' conference now being held in London which the Prime Minister (Mr. St. Laurent) and the Minister of Finance (Mr. Abbott) are attending. The people will follow the proceedings closely, because they want to see the United Kingdom markets reopened to Canadian farm products. The leading daily newspaper in New Brunswick, the *Telegraph-Journal*, after mentioning in its issue of November 26 that the Prime Minister had left for London, stated:

> The meeting he will attend, the commonwealth prime ministers' conference opening in London on Thursday (the 27th), will be the biggest thing of its kind since the Ottawa conference of 1932.

We in the maritimes must have outside markets, markets that can be relied upon year after year. The farmers in my part of the province will tell you—in fact they have told me—that the United States market is not reliable. If the United States is short of

a commodity it is easy to enter their market, but ordinarily they are our greatest competitor in world markets for agricultural commodities. While they may be friendly rivals, they are nevertheless ruthless and businesslike in all their dealings. I am informed that the farm lobby in Washington is one of the most potent political forces in United States politics, ever on the alert to see that Canadian producers get a minimum of access to the United States food market. For these reasons and others, no long-term scheme for absorbing Canadian surplus production can be arranged with the United States.

I should like to remind hon. members of this house that when our farmers are unfortunate enough to lose their grain crops because of drought, as many in my riding lost their grain crop this year, there is no relief such as the western farmer may receive under the Prairie Farm Assistance Act. I understand, of course, that the western farmers make a contribution under that act. It was for this reason, Mr. Speaker, that in my opening remarks I referred to "the capital of the spirit". The farmers of my province have to meet the ups and downs of uncertain markets by ingenuity in finding ways and means of carrying on and providing such prosperity and security as may be obtained through hard work, long hours and strict economy.

It is understandable, therefore, why we in the provinces by the sea are vitally interested in markets for agricultural commodities. We realize that any agricultural policy for Canada must be elastic because of our vast area and the different conditions and requirements of each area. But I must say, Mr. Speaker, and I think I fairly represent the opinion of the farmers of my province, they feel it is the responsibility of the government to do everything possible in finding and developing export markets as well as assisting in the home market.

Agriculture, industry and trade are very much tied together in this world of varying monetary systems and different standards of living. While it is recognized that the hon. members responsible have no easy task, nevertheless, because it is a vital matter to our primary producers, I am sure that all hon. members are fervently hoping for some tangible agreement under which commonwealth trade will start to flow more freely. If such an agreement is made, perhaps some form of permanent trade arrangement may be made that will provide a reliable and profitable outlet for our farmers' products. We are hoping that these results will flow from the conference now taking place in London, in which our own Prime Minister will no doubt play a prominent role.

Having listened with interest to the speeches thus far, I felt compelled to take part in this debate in order to bring to the hon. members of this house the views of many people in my constituency, and to place their problems and difficulties before you. I feel that the solution of many of the problems of my province lies in an agricultural policy of some permanence, so that our small, mixed farmers may proceed to develop their lands on a planned economy which will give them a feeling of security and contentedness.

In conclusion I should like to say a word or two concerning a national health scheme. There is nothing in the speech from the throne that would grant the ordinary citizen relief from taxation or give him some feeling of comfort and protection in matters of health. As the hon. member for Haldimand (Mr. Catherwood) so well stated, there is nothing in the speech from the throne that would indicate "relief and the end of the sacrifices of the past few years". Since there appears to be no hope that the ordinary fellow who lives around the corner or across the tracks will receive better treatment, I commend my leader for proposing the amendment to the speech from the throne, and I can wholeheartedly support it.

Let me repeat what I said a few minutes ago. We are here as representatives of all parts of Canada to make laws, but according to the tolerant democratic method. This is the highest level of government in our country, and is often referred to as the federal government. How did this federal government become a reality? How did our constitution in Canada come into being? Was it not by consultation and agreement? Did not the representatives of various sections of this country get together and work out an agreement on which the British North America Act was based?

That was over 80 years ago, and many things have changed in 80 years. There have been changes that have created many problems that were never dreamed of then. In the light of such changes, further consultation among the partners in confederation—the provinces and the federal government—should again take place, in an atmosphere of tolerance and give and take, in order to sincerely try to arrive at a solution that will benefit all the people at various levels of government.

I know there have been conferences, but rightly or wrongly the people of my province —and I believe the same is true in many other provinces—feel that the federal government

is not meeting the provinces half-way. They feel that the dominion government is taking the lion's share of the national revenue. I say this, Mr. Speaker, because I believe it expresses the feeling of the people. After all, Ottawa is a long way from the homes of most citizens of Canada but the municipal government is on their doorstep, even closer than the provincial government; it therefore can be more closely supervised and more easily understood.

All governments realize, or should, that there is a limit beyond which taxation should not go unless there is a national emergency. But a proper distribution of such revenues is the problem upon which there has not been agreement. As I see it, that is the reason for my leader's amendment. If it were not so, why would a group representing the mayors of cities in every part of Canada be appearing before this government? While this group represents only the cities, other municipalities have problems which are just as serious. Coming as I do from a small town, and having had considerable interest in rural municipalities, I know that the problems with regard to education, hospital and medical care or health services are tremendous. It is growing beyond the resident taxpayers' ability to provide these services, even with all the assistance that comes from provincial governments, part of which in turn comes from Ottawa.

Mr. Speaker, I am not going into all the reasons that have helped to create this heavy burden. Suffice it for me to say that it is a live issue. Many people cannot afford to have the necessaries of our standard of living, let alone to be sick. No one is ill by choice. Illness comes like a thief in the night. Sooner or later, on account of illness, anyone may be faced with obligations that he just cannot pay. It is no answer to tell these poor people: "Sorry; the municipality must look after you. It is their problem." As far as the legal responsibility is concerned, they know that they are part of the municipality. They also know that the municipality has not the wherewithal to help them.

I like the expression coined by my colleague the hon. member for Ontario (Mr. Starr) when he said that our democracy should work like a family; that the federal government is considered the senior or daddy of the family, so the lesser lights look to daddy. Is there much wonder that they do so, in view of the tremendous sums of revenue collected by daddy? This is why the mayors of cities are waiting upon this government. Unless some logical rearrangement satisfactory to all governments is worked out, the delegations will not be confined to representatives of the cities. I am no alarmist. In my humble way I am trying to bring to the attention of the government some of the problems of the ordinary people who feel that they have been forgotten.

Before closing I think it fair that I should place myself on record in reference to the amendment to the amendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell). As I understand the constitutional issue and set-up, it seems to me that the government is being asked to do something which it is not yet in a position to carry out, namely to bring down at this session legislation providing for a national health insurance program. I am not convinced that sufficient groundwork has been done and that a common formula has been worked out with the provinces. Hence I cannot see my way clear to support the amendment to the amendment. But that fact does not in the least indicate that I am opposed to a sound health scheme. On the contrary, I am fully in accord with a scheme worked out jointly between the dominion and the provincial governments as a national health program in order to bring to families in the low and the ordinary income brackets—yes, possibly to all—the assurance that they will receive the necessary medical and hospital care when required, without the worry and hardship entailed in having to pay the bill.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Irvin Studer (Maple Creek): This evening, Mr. Speaker, the people whom I represent in the constituency of Maple Creek, in the southwest corner of the province of Saskatchewan, would want to associate themselves with me in extending the good wishes and the congratulations of all of us to the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne. It is a consolation to them to know that people from all over the Dominion of Canada have an interest not only in their own constituencies but in all of the people of Canada, so that through the efforts of all of us we can continue to build the great nation that has been developed up to this time. They would also want me to say to those who may be fortunate enough to attend the coronation of Her Majesty the Queen in England next summer: Give our good wishes to our sovereign, that she may have the good fortune and the blessing of the Almighty upon

her so that her reign may be long and glorious in the interests of all her subjects.

We represent our constituencies; therefore it is our duty to present the problems, if any, of these constituencies to the government and to the houses of parliament. In my endeavour to discharge that duty as it applies to me I would ask your indulgence for a few minutes to listen to the conditions that exist in that great constituency of Maple Creek. Conditions there today differ from those which existed at other times when I have had the privilege of speaking about that constituency. We have had a good crop this year in most of my constituency. In spite of the generally good crop conditions all over the west—which please everyone and add greatly to the wealth of Canada, since every bushel of wheat means approximately another $1.50 added to the general wealth of the people of all Canada, because we all derive benefit from it—in spite of that good fortune, nevertheless there are parts of the constituency of Maple Creek in which prairie farm assistance payments, that is crop failure payments, will again be made this year.

The reason for that is this. In that country the constituencies are large. A constituency is a whole country in itself, much larger than some of the provinces of Canada. The result is that a change in weather conditions can be very pronounced, and what may bring good conditions in one area can bring about most unfortunate conditions in another. But altogether, over the whole, we have been blessed with good fortune during the past year.

In addition to that, Maple Creek is the type of constituency, and its area is so vast, that if there are any abnormal conditions they are bound to exist there. In spite of the many times it has been my duty to point out that crop failures have existed due to drought in that constituency, this year we have had the very opposite. We have had flood conditions in that constituency, believe it or not. We had flood conditions that created for the individual just as great havoc as the flood condition at Winnipeg of a year or two ago. Although not on as extensive a scale, yet to the individual the loss was just as great. In the constituency of Maple Creek we have over 90 per cent of the irrigation in the province of Saskatchewan. We had flood conditions in that constituency which inundated whole towns such as Eastend. Towns were under water for a period of approximately a month. All the people had to be removed from those towns lying in those valleys because of the abnormal conditions. The snow, which thawed too rapidly, produced a volume of water that no precautions could have prevented. It flooded irrigation projects, and the people living in the valleys of Eastend and Valmarie were flooded out. We almost had a tragic situation at Swift Current, Saskatchewan, where the Duncairn dam, through almost superhuman efforts of the P.F.R.A. officials, was prevented from collapsing and inundating a large part of that city.

Because of those conditions those people have suffered heavy losses. The P.F.R.A. officials went to extreme lengths to recondition the lands, rehabilitate the irrigation ditches, rebuild the streets of the towns, pump the water from the basements and make it possible for those people to go back to the towns and take up living where they left off. In the meantime many of the farmers lost their seed grain, lost their feed, lost some livestock, and had difficulty in re-establishing themselves. Some of the men on those lands are returned men.

I think under those conditions the province of Saskatchewan should have been much more willing to help out in the emergency. Officials of the province come to Ottawa and ask the federal government to assist in rehabilitating and financing the work that has to go on in those areas. As I see the situation, it was not a national disaster. As I pointed out, it was a disaster to the individual, but it was not a national disaster when compared with the Winnipeg floods and the fires in Rimouski and in other places.

Generally, the situation in connection with financing losses of that kind is this. If the loss is within the $100 class or category the municipality takes care of it. If it comes within the hundreds of thousands of dollars category, the provincial government takes care of it. If it comes within the category of millions of dollars, then the federal government takes care of it. Therefore I ask the province to reimburse those people who have suffered financial losses. If they cannot finance the situation, if the amount involved is too great, then they should come to the federal government and the federal government will consider whether or not the province can finance it. I have never known the federal government to take an attitude at any time that is not responsive to the demands of any province, any municipality or any people in difficulty. I ask the province to rehabilitate those people and place them in the financial position they deserve, as has been done when other people have found themselves in difficulty.

If any province or any area suffered from the affliction of foot-and-mouth disease, certainly the constituency of Maple Creek did, because it comprises much of the ranching area of southern Saskatchewan and of the whole of Saskatchewan. I do not know of any area that was more affected by anything that happened to the beef industry than we were when the foot-and-mouth disease disaster struck us. Another thing that affects us is the distance from all the ports through which we ship our wheat. We are practically the same distance from Churchill as we are from Vancouver, and as we are from Fort William. That being the case, we in the southwest portion of the province are usually the last to be served in the delivery of our wheat because, as everyone knows, if there is a shortage of box cars or a shortage of space, or if deliveries of certain grades of grain have to be made on account of sales to other countries at the appropriate time, in order to make the sales those box cars can be utilized twice as often from practically any point in Manitoba to Fort William, as they could be from southwest Saskatchewan.

So just until recently we were practically still on the five-bushel quota. And while I am talking about that I hope the wheat board takes an interest in this matter, and that before all the other wheat delivery quotas are raised they will provide facilities for southwest Saskatchewan in order to equalize their quota deliveries with people in the other provinces.

Much has been mentioned about the farm storage proposition in western Canada. When there are heavy crops a great deal of farm storage becomes necessary, and the problem becomes acute. This is especially so when it is impossible to deliver your grain under the quota system. I do not know of any way to circumvent this except by providing more box cars. There is no way of limiting this except by providing more storage space.

It has been suggested by some that the government should provide facilities or make advances to the farmers so they could store farm grain. What I need in southwestern Saskatchewan is room enough for my grain so I will get the full value for it in relation to the money spent in its production, and so I do not have to borrow money and pay interest on it, and have to repay it at some future date. I have never had any trouble in borrowing money; my trouble has always been in repaying it. If facilities could be provided so there would be plenty of room for storage facilities on the farms or in the cities, through elevator storage facilities, and through government storage elevators that might pay for themselves in time—and they have paid for themselves and would pay for themselves—then I think that southwest area of Saskatchewan, which certainly has been overlooked in connection with government terminal elevator storage and those specialized facilities, would be satisfied.

I think the government could very well consider those additional facilities either at Shaunavon or at Swift Current, and for a twofold purpose. They would be useful in conditions such as we have had in the last few years, and also when there are conditions of drought and large parts of the province are faced with crop failure. The result would be to keep the economy of that country in better condition, and there would be feed grain and seed grain in an area where it would be needed.

Only too often have the farmers in southwestern Saskatchewan had to pay freight for seed and feed from Fort William, or from some other parts of Saskatchewan and Manitoba, arising from crop failures which have occurred through no fault of their own. I think proper storage facilities should be provided in southwestern Saskatchewan, and no one would lose any money on it.

There has been much talk in regard to loans to farmers on the grain. Last year in this house and again this year there has been discussion as to the amount of money that should be provided in loans or guarantees of loans to farmers who had their wheat in the snow last year and were unable to deliver this year. There was a whole lot of talk and a lot of difficulty in connection with providing a guarantee or a loan to the extent of $20 million to farmers last year. As a matter of interest, the amount actually used by farmers under that loan which was made available by the Prairie Grain Producers Interim Financing Act was $625,671.41, out of a total of $20 million.

I say again that the farmer wants a place to deliver his grain in southwestern Saskatchewan, and a place to store it as a secondary feature. We say the farmer in southwestern Saskatchewan does not want a system whereby he is going to be compelled to pay storage charges for other farmers throughout the length and breadth of the three western provinces, who can well afford to keep their grain. And if storage is paid on the grain, then the people in southwestern Saskatchewan who over a period of years have had about twelve bushels to the acre will be paying storage on the grain of other farmers in the three western provinces. Unless a new system can be devised, then the farmers in southwestern Saskatchewan will be penalized for charges that others are not obliged to pay.

I am not in favour of this. I am not in favour of advances to be paid to the farmers throughout the three western provinces that the farmers in southwestern Saskatchewan cannot take advantage of. The best advance I know of is the advance that applies in connection with the sale of wheat. If the rest of us can get that, then it will take care of most of the other troubles we have in southwestern Saskatchewan; that is, if we have the wheat to sell.

We have heard a lot about subsidies in this country. It appears to me there has never been a session of the House of Commons when subsidies have not been mentioned at some time or another. We had an instance of it the other day when a comparison was made between the subsidy that was paid to the farmers or allowed to the farmers under the Agricultural Prices Support Act during the past year, amounting to $10 million, and the subsidy paid to the gold mining industry of $40 million—a most unfair comparison if I ever heard one, because there is no similarity between them.

The Agricultural Prices Support Act provided some $200 million to stabilize the market for farm products when the price was low. It was not established to lose money, but rather to stabilize the prices of the farmers' products for a period of time. If they were not stabilized, the farmer lost money.

If you wish to make a comparison of farming and the gold mining industry in the matter of subsidies, then make a comparison between the subsidy that has actually been paid the farmers, and that has nothing at all to do with the Agricultural Prices Support Act. I have here in the *Western Producer* of October 9, 1952—and no one can say that this is a Liberal paper—a record of the federal government's action in subsidizing agriculture. The actual amount paid in subsidies to the agricultural industry across Canada from 1940 to 1950-51 has been $853,300,000, or more than three-quarters of a billion dollars. That has been the subsidy paid to agriculture during that time.

Let us compare that with the subsidy paid to the gold mining industry, and we will have the answer. Do not let anyone get the idea that I think the gold mining industry in Canada is in trouble. I do not know, but it seems to me the people handling that can take care of themselves pretty well. Yet I know this, that there are almost a million people engaged in gold mining, or who are earning their living from that industry. I also know that the incentive offered by gold mining has spread to other valuable minerals being produced. The incentive offered by gold mining has induced the prospector to go out to find other valuable minerals throughout the country. This subsidy has encouraged the gold mining industry, so that we could make the most of our mineral resources.

Let my hon. friends in Saskatchewan who are complaining about the subsidy to gold mining remember that we have the largest uranium discovery in the world in northern Saskatchewan. I am not too much concerned about the gold mining industry; I am not worried about it. I have not been troubled at any time with having too much gold under my control, and I think the same thing can be said for most of the farmers in southwestern Saskatchewan. There has never been an overabundance of gold under their control. It is a lack of gold or its equivalent that has caused a difficult situation in south Saskatchewan and the difficulties that have been inflicted upon the farmers there during past years.

If it is possible to keep a million people employed in this country, I want to see those people employed. I want to see them have the right to earn a living whether at gold mining, in industry, in oil, in agriculture, in our manufacturing plants, on our railroads or wherever they may be. Those people have a right to live and it is the government's duty to provide a means whereby they can earn a living. That is a duty the government owes to all the inhabitants of the country. If the government finds it necessary to provide a gold subsidy to maintain this million people at work, what can I do but support it in the hope that the gold mining industry along with agriculture and all other industries will prosper so that subsidies will not be needed in the future.

Something has been said about the wheat situation. I think the position in this regard can be summarized in a very few words. This government has faced tremendous problems in the last few years. The wheat board and the Department of Trade and Commerce were faced with over a billion bushels of grain last year and with more than that this year, or over two billion bushels in twenty-four months. At least half that amount has been moved. Facilities have been provided and markets found under the most adverse conditions. Over 240 million bushels of damp and tough grain has been moved at a reasonable price. That is one of the greatest accomplishments ever achieved in Canada or any country in the world.

I do not say that is good enough. Nothing is good enough in the Liberal party. If there is anything bad, they are determined to make

it good. That is the Liberal policy. If it is good they are determined to make it better. If it is wrong, they will make it right. If it is right, they will bring it to perfection. That is what we subscribe to.

The international wheat agreement will shortly be coming up again for consideration. Let no one in Canada think for one moment that every effort is not going to be made to obtain the best possible results in connection with the wheat agreement for the benefit of the farmers of this country. We are not going to have a fire sale. The Minister of Trade and Commerce (Mr. Howe) will never agree to give our wheat away at any price nor attempt to blast our way into the markets of the world at any price. We are going to obtain for that wheat what it is worth, plus, in all the markets of the world; we will obtain what the markets of the world will be willing to pay. We are not going to price ourselves out of the markets of the world. There are two times when agriculture gets into difficulty; one is when there is no production, when there is a crop failure, and the other is when there is too much wheat. Our friends the socialists wish to give our production away; but they should hold up as an example what other socialist countries in the world have given away to the underprivileged people during all the time we have heard of socialism. Their policy is to give everything away until we become one of the underprivileged countries of the world.

We have the international wheat agreement and we have the wheat board. The government has just made a final payment on last year's crop. I think even the socialists will agree that that payment was quite good. However, they are not ready to give the government credit for it. The Minister of Trade and Commerce will not ask for any credit, but the fact is it was a pretty good wheat payment. If it was more than the average producer expected, and I think it was; if the government is to receive no credit for it, then why should the government be faced with a political implication that it has not acted as it should when the final payment is a few cents less than was expected?

We hear our socialist friends talking about the support they are giving to the international wheat agreement and the wheat board. Do not believe it; they are out to destroy it, and here is the proof. They asked the people to vote against the wheat steal. That is a contribution the socialists made during the by-election in Gravelbourg a year and a half ago. Vote against the wheat steal. Who stole the wheat? No one was handling wheat except the wheat board; and every farmer and every socialist recognized that advertisement which appeared in all the papers and which was passed out to the people in the form of handbills. Vote against the wheat steal. Why didn't they say, "Vote against the wheat board?" The implication was there, yet they tell us they are in favour of the wheat board. They will never make me believe that because there are their words and this time their words speak louder than their actions.

What the socialists say west of the great lakes they do not say east of the great lakes. That is the great trouble in this country. It is exactly the same with the Progressive Conservatives. What they say in Quebec they do not say in Ontario. That is one barrier to unity throughout the whole country, the difference between what politicians in the west say for their own political advancement, and what they say in eastern Canada.

So I suggest to all who care to take the suggestion—and I do not imagine many over in that particular area of the House of Commons will take it—that they make their actions conform with their words and get behind the international wheat agreement and the wheat board. The socialists in western Canada should get behind a policy that will guarantee a wheat board in the future, and not support any political party that will be in a position to destroy what has been built up during the last fifteen years through the efforts of the farmers, their farm organizations and their wheat pools. That should not be permitted to be destroyed in one fell swoop. They have a duty to perform, not only for their own particular advancement but for the benefit of the rest of the people of Canada.

I want the Minister of Trade and Commerce to ask right now for farmer representation on the wheat board. I think this is the time for that. I suggest to him that the best possible men in the country be hired to operate the wheat board. I heard some farm union officials in western Canada criticizing the wheat board and intimating that some of the officials were not fit to operate the board because they had previously been connected with the grain trade. The Minister of Trade and Commerce should try to obtain the best men possible to operate the wheat board, and I think the minister will do that.

There is no government in the world, no grain board or wheat board that will tolerate anyone stealing the farmers' wheat. If they do, then they are not fit to handle that wheat. I suggest to the Minister of Trade and Commerce that he ask the farm organizations and the wheat pools to offer their best

men as representatives of the farmers of western Canada on our wheat board.

We have heard a lot about floor prices. Let me tell the house that because of the inefficiency, the uselessness and the impotence of the minister of agriculture of the province of Saskatchewan, the farmers of Saskatchewan have lost $140 million.

Mr. Speaker: I do not think an hon. member of this house should reflect upon a minister of a provincial government.

Mr. Fulton: It is all right for him to reflect upon his own minister. It might have been truer if he had said it about his own minister.

Mr. Studer: Certainly I do not need to reflect on anybody. Everyone knows, and without any reflection, that what I said is true. The attitude the minister took in connection with the foot-and-mouth disease and his entirely unwarranted criticism as to inefficiency on the part of the federal government veterinarians in controlling the disease was immediately responsible for the embargo by the provinces and hastened the imposition of the embargo by the United States. I say the farmers lost the equivalent of what they had gained between the time the foot-and-mouth disease was first determined and the time the actual embargoes were put in force. The farmers lost $140 million; and they also lost because the provincial government and their minister of agriculture never accepted their responsibility in Saskatchewan to provide storage space for the production of the farmers of western Canada which at various times of the year, and almost every year, exceeds the demand.

As a result eggs and other products have to be shipped out of the province and the storage is paid in other provinces. That is a loss for every farmer in Saskatchewan. Then there is also the loss that arises in connection with floor prices. Under the provincial government's marketing legislation it is their direct responsibility, when floor prices are not paid to the farmers, to buy the products, sell them to the federal government at the floor price, and in the meantime pay the floor price to the farmers of western Canada.

In Saskatchewan the government was most derelict in its duty. If they have no value except to criticize, what in the world are the people of Canada doing with a provincial government and a minister of agriculture so inefficient as in the province of Saskatchewan? They are throwing away our money. The loss has been at least $140 million, and the only thing we have there is a critical attitude. That is why I said last year that under a foreign policy imported into this country by the socialists, unconditional socialists are conditional Canadians because they will not co-operate with anyone in Canada unless they are willing to adopt socialist policy. I will stand by that statement.

Mr. Thatcher: They liked it in Saskatchewan the last time.

Mr. Studer: We have a situation with regard to socialists and health upon which I should like to dwell. In the one instance they advocate that we spend another $500 million for health. We are all in favour of health. The federal government has made available $1 billion each year for health and social services. The socialists want us to add another half billion dollars to the expenditures of the federal government. The hon. member for Winnipeg North Centre (Mr. Knowles) tells us that the country now is rich enough to support the additional expenditure of half a billion dollars, and in the same place, although perhaps not at the same time, the leader of the socialists will tell you that the country is going to the dogs and that we will not be able to continue to have our marvellous system of social services that is a credit to all. He admits that we have prosperity, but he says it is deceptive. He says it will not last, that it is a mirage, that it will deceive you, that it will disintegrate, that it will collapse, and then he asks us to spend $500 million in one fell swoop.

I should like to ask the leader of the socialists in this house, or any other socialist, what right anyone has who is not a producer of wealth to be a socialist? What right has a non-producer of wealth to be a socialist? If any one of them has the right to be a socialist I wish he would stand up in the house and proclaim it because the first thing you have to do is produce some wealth before you can distribute it. Where did the socialists get the right to be socialists when they are not producers? Did they get it from God? No. Even God knows you have to produce before you can distribute. Do they get it from Karl Marx or Engels? No; neither Marx nor Engels were producers. They did not have the right of succession passed on. Did they get it because of humanitarian reasons? Oh, it is easy to be a humanitarian and a do-gooder with somebody else's money.

Did they get it from the people? No, because they were socialists before the people ever heard of them. Did they get it from nature? No, because even the drones in the beehives have not the right to distribute the honey of the worker bees. There are too many would-be educators in this country who have found it much more profitable for themselves to become agitators. There are too

many people in other vocations in this country who have found it much more profitable for themselves to go out and try to save hides rather than save souls. Yet the socialists get up in the House of Commons and proclaim their right to be socialists. If you cannot do that, then go out in the country and tell the people that the socialist system is a fake, fraud and deception. West of the great lakes they preach one story. East of the great lakes they preach another story. East of the great lakes they are wolves in sheep's clothing and west of the great lakes sheep in wolves' clothing. That is true of all of them with the exception of that lovable, likeable member for Moose Jaw (Mr. Thatcher). He is not a sheep. He is merely a well conditioned capitalistic lamb being led to a socialistic slaughter.

But there are other socialist members who have the right to be socialists, and one of them is the hon. member for Melfort (Mr. Wright). He is a producer. He has the right to be a socialist along with others. He is a successful farmer. He has made money. There are only two ways you can make money when you are a farmer and a politician. As a farmer you can make money by reason of the policies of the dominion government. That is the only way you can do it. The other is as a politician. Which of the two is it? I ask the hon. member for Melfort which it is. Socialism is built on a false premise and the people know it.

When the truth catches up with what the people have been told there will not be any more socialists because socialism means control. It means less of everything, including people. It means destruction, it means no production, it means death, and that is the truth. So we will tell these socialists that in order to have the right to be socialists they should become producers. I suggest to them that there are too many rich socialists in the country today, and that is part of our trouble in Saskatchewan. It used to be that people talked about the rich capitalists, but now it is the rich socialists. It is rank heresy in the rank and file of the socialists, and you can leave the file out because they are all rank. It is rank heresy in the ranks of the socialists.

I know of rich socialists in Saskatchewan who, through the agricultural policies of the dominion government, have accumulated from 3,000 to 5,000 acres of good agricultural land during the past fifteen years, and that is under the system they are out to destroy. When are they going to socialize the rich socialists in Saskatchewan including those who are government members?

An hon. Member: That fits you, Ross.

Mr. Studer: Talking about Ross, I should like to have him justify his position as a distributor at a profit of the sweat and labour of others. He is not a producer but a distributor of the work of others. Again I say it is rank heresy in the ranks of the socialists. Let them justify it. Production for use and not for profit is the battlecry of the socialists, and here we have an instance where it is distribution for profit to individuals. If that is socialism, I hope the Lord prevents us from having too much of it.

I should like to give a little bit of advice, hoping that someone will take it. I should like to suggest to the Minister of National Revenue (Mr. McCann) that he adopt a system in western Canada with respect to the collection of taxes that will not be so aggressive toward the people of western Canada. We are living in Canada. We are not living in Russia. I do not like the policy that is in effect out there under which the farmers were put through the wringer, through the grindstone you might call it, to extract that which ten years ago they had no idea they were ever going to be compelled to pay. The Conservatives here talk about the overemphasis on national revenue. They say the Minister of Finance did not judge right because he has too great a surplus. That is not where the surplus came from; the surplus came from the collection of tax arrears from the farmers out in Saskatchewan. Give consideration to the farmers in applying these measures. These are not the days of the inquisition. These are days when every man has his right. I think he has the right to be heard, and these farmers in Saskatchewan are not being heard to the extent that any Canadian citizen should be heard in connection with the collection of arrears of income tax.

To the Minister of Labour (Mr. Gregg) I should like to say that I want him to institute a plan of unemployment insurance for farm labour. I want him to get busy at that right away. If we are going to maintain any employment on our farms, it is necessary. Without question, day after day our farm labourers are going to the cities. There is one reason for that, and it is that they can receive consideration in the cities that they cannot be assured will be available on the farm. Such a measure would prevent some of that. I want every action taken in the interests of the labouring people. I ask the government never to take its eyes away from the plight of the poor. Do not worry about the rich. I never heard of one of them who did not get along very well. We should

worry about the poor people of this country. In opposition to the policy of the socialists, who are always trying to make the rich poor, this government is going to make all the poor rich.

I want the Minister of Transport (Mr. Chevrier)—give him credit for a job well done, to almost the same extent as the Minister of Trade and Commerce (Mr. Howe)—to continue doing what he has just done in connection with the transporting of grain in this country. After the trans-Canada highway is completed, I want him to immediately inaugurate a plan whereby we shall have separate truck roads for all trucking done in this country. I hesitate to pick up the paper each day and read about the disasters that are happening on all our highways because of the truck traffic which prevents the normal use of the roads by the motoring public. The railways built their lines for transportation, and if the trucks can transport goods cheaper than the railways then I think the co-operation of the provinces should be sought in providing roads to take advantage of this cheaper transportation. A truck road system should be made available throughout the country; then the trucks would not be continually in conflict with the motoring public, resulting in the deaths that inevitably follow.

To the Minister of Veterans Affairs (Mr. Lapointe), I would say "keep up your solicitude on behalf of the veterans of this country." They risked their lives for us, and if it were not for them we would not be here.

Some hon. Members: Hear, hear.

Mr. Studer: No matter what you do, keep a solicitous eye, a benevolent eye, on them. There are many of these veterans in southwestern Saskatchewan who are farming land under extremely difficult conditions. I know the Minister of Veterans Affairs well enough to know that he will do his utmost for them.

To the Minister of Agriculture (Mr. Gardiner) I would say that we want him to stabilize prices as close to parity as possible, with the help of all the provinces but not the opposition of all the provinces. If that is done we will create stability in this country unheard of in any other country in the world. But we need the co-operation of the provinces.

Finally, to the Minister of National Defence (Mr. Claxton) I want to say this. Do not worry too much because there happen to be a few surplus ties or other commodities. You worry about protecting the people of Canada, and worry about that only. If you do not, and listen to the opposition, the same thing will happen that happened at Pearl Harbor on December 7, 1941. I want him to keep Canada safe. You can build up the highest civilization, the highest standard of living, and it can be endangered. Today countries do not declare war; they destroy you, and then declare war. I want the Minister of National Defence to protect the people of this country so they will never be in a position, regardless of the criticism of anyone, where it will be a matter of too little, too late.

There is another matter I want to draw to the attention of the house. I think it is time for the people of Canada to pray. It seems to be the fashion nowadays, among at least some political parties. I think all could avail themselves of it without any detriment to themselves. Danger comes to any country not when it is poor but when it is rich. I believe everyone will agree with me that Canada is fast becoming rich to an extent that past generations would not have believed. Canada will continue to do so if we keep this government and its policies in the future. However, let us offer a prayer for the protection of our country, and if it be done in a proper manner we should be protected from without as well as from within. Often the danger from within is greater than the danger from without. In that connection I would suggest that we be protected from within from that combination or residue of conservative technocrats, that combination seasoned with ginger, pepper and a liberal sprinkling of holy water who call themselves Social Credit. I think we should be protected from that.

In the early days there used to be crusaders who went out to convert people to Christianity. Today we have a situation in which we have crusaders going out to convert Christians to politics. Also guard us from the socialism that is inevitable if the socialists ever obtain power. Guard us from being destroyed through the methods they advocate, controls that lead to destruction. Guard us from becoming the underprivileged people of the world. We have prosperity. There is no alternative or question about that; everybody admits it, even the leader of the socialists. It took the Liberals fifteen years to build up this prosperity; do you want to destroy it overnight? Lastly, save us from the contradiction of free trade one day and protection the next, the wandering in the desert, reactionary, puny, petty, feeble politics of the Conservatives, who aspire to be the government. Save the country from that disaster. We Liberals always advance, never

retreat; we add, we do not subtract; we build, we do not destroy; we succeed, we do not fail. Time for a change? Never is the time to change from good times.

Mr. Ray Thomas (Wetaskiwin): Mr. Speaker, I think that under ordinary circumstances the hon. member who just took his seat should only be allotted twenty minutes, because he can get more words into twenty minutes than any other member in the house can get in in an hour.

Mr. Cruickshank: He can say more in five minutes than you could in two hours.

Mr. Thomas: You just woke up. The hon. member for Fraser Valley (Mr. Cruickshank) can be assured of one thing, and that is that I shall be speaking here long after he has gone.

An hon. Member: I doubt it.

Mr. Deputy Speaker: Order.

Mr. Thomas: Mr. Speaker, I should like to add my plea to that made by the hon. member for Red Deer (Mr. Shaw) the other night when he asked for some changes to be made in the Prairie Farm Assistance Act as it applies to hail benefits. Under the present six-section eligibility clause we find that we have a great deal of discrimination. It is not deliberate discrimination; but with hail acting in the way it does, it cannot be helped. It is almost impossible to administer an act such as the Prairie Farm Assistance Act unless there is some reduction in the eligibility clause. All westerners know that hail is extremely unpredictable. At times you will have a narrow strip where the hail will cut a swathe many miles long. At other times it will hit one farm, skip one and hit another. This phenomenon makes it extremely difficult, if not impossible, to administer the act as it should be administered. The only real solution to this problem would be found if the hail benefits were to be reduced to an individual basis. If the government is not willing to do that—that is, bring it down to the individual basis—they should at least bring it down to a one-section basis so the farmers who are suffering hail damage will not be discriminated against.

I was greatly interested the other night when the parliamentary assistant to the Minister of Defence Production was giving his report on his visit to the troops in Germany. At that time he stated that the morale of the troops in Germany was extremely high, that they lacked nothing in the way of recreational facilities and that they were doing well. I am not prepared to argue with the parliamentary assistant on that score. I simply do not know. I am not satisfied, however, that the whole story was told.

Last session I made the suggestion to the government that on some of these tours to theatres of action or to theatres in which we have Canadian troops, some opposition members or at least one opposition member should be taken along so that we can get the real or the whole story. If the morale is as high as the parliamentary assistant says it is, the government should be tickled to death to have an opposition member come back to the House of Commons and give the assurances that the parliamentary assistant gave the other night. If the morale is not high—and in the press there have been many reports that the morale is not as high as we would like to see it—then the people of Canada should find out, and we should have something done about it.

Whether we are having an election in the next year or whether we are not, that matter is not half as important as is the welfare of our boys who are overseas at the present time. Too often we get these glowing reports from government members and then later on have reports to the contrary. If these boys in Germany need more recreational facilities, let us see that they have them. If they need anything, we should know about it and see that they get it. After all, those fellows are there for our protection; and nothing is too good for them in the line of recreation or any other line you could mention. The only way we can find out about the matter, to the satisfaction of the people at home, is to send over somebody from the opposition so that he can speak, and agree or otherwise, as to the reports given by those on the government side of the house.

I am not going to follow the Conservatives' policy of criticizing the government's purchase of clothing, neckties, teapots and so on. Having had a certain amount of experience in the selling of clothing and other articles, I realize that it is necessary to have on hand stocks of many sizes in order to sell clothing or, as in the case of the army, to issue it.

Mr. Fulton: Even neckties and serving forks?

Mr. Thomas: We ought just to keep this fact in mind, and this will answer the hon. member for Kamloops (Mr. Fulton). We never know when we may have to make an all-out war effort and go into an all-out war. The hon. member for Kamloops would be the first to jump to his feet and holler "shame" if we were not prepared for it.

Mr. Fulton: Especially with neckties and serving forks.

Mr. Thomas: If we are not better prepared than we were before, we shall have to strangle the enemy with neckties and poke them with forks.

Mr. Fulton: Hear, hear. Let us buy something else. I would rather spend money on something else.

Mr. Laing: Let me guess what.

Mr. Fulton: Shells.

Mr. Thomas: Mr. Speaker, I notice that I am getting some help.

Mr. Fulton: Ammunition for Korea.

An hon. Member: Who is making this speech?

Mr. Deputy Speaker: Order.

Mr. Thomas: Mr. Speaker, I honestly believe that we should supply not only present needs but that we should and must stockpile in case of an emergency. As members of our group have stated and as I, speaking for them on many occasions, have stated, we will go all-out with the government on any productive effort that they want to go on with, if it is necessary; and I think at the present time it is necessary. I believe, however, that the taxpayers of Canada are suffering great losses as a result of poor management in their defence construction program. I think the hon. member for Red Deer covered that subject fairly thoroughly the other night, and so far I have not heard one government voice dissenting. I notice that the Minister of National Defence (Mr. Claxton) and the parliamentary assistant to the Minister of Defence Production have spoken and that they said nothing about it.

I think it is imperative that we have a complete investigation into the defence construction program, not only in the two centres mentioned by the hon. member for Red Deer but in the centres all across Canada. Some new inspectors should be sent out to all these places to find out whether things are going well. If they are going well, we shall be pleased to hear it. If they are not going well, let us get them rectified and get on with the job.

As to smaller stores, I think there is a certain amount of misuse in consumable stores. As a matter of fact, a friend of mine was telling me one day about getting 85-cent T-bone steaks in a restaurant, and he could not figure out how he was doing it until one day he saw the Department of National Defence stamp on the rind. If the minister or the parliamentary assistant would like to come and ask me about it, I will give him the name and location of the restaurant so they may investigate the matter.

I should like to say just a brief word about the government's T.V. policy. I want to protest most strongly against this policy of suppression of private companies. I know that the C.B.C. claims that it is encouraging Canadian talent and Canadian culture, but it is having exactly the opposite effect. In the cities where they have Canadian television and where they can also bring in United States stations, I find that the television sets are invariably tuned to the United States, so they can absorb more of the United States culture and leave our own Canadian culture alone. I cannot understand why the government and the Canadian Broadcasting Corporation insist on spending the taxpayers' money to do a job that private concerns are willing to do with no cost at all to the Canadian taxpayers. They could probably do it better and much cheaper. As a matter of fact the Canadian Broadcasting Corporation set $1 million as the cost of a television station on the west coast, where private companies have claimed that they can set one up for as little as $500,000.

The Canadian Broadcasting Corporation, in television as in radio, is operating not only as a competitor but as the controlling body, and as such can develop into the most vicious propaganda machine imaginable. They have that type of thing in Russia, but there is no place for it in a democratic country such as ours. It would make one wonder whether the forthcoming election might not have something to do with Canadian television policy.

If the Canadian Broadcasting Corporation is to be the controlling body for television and radio, then it should get out of circulation as a competing body; or if it is going to be the competing body, then let us set up some other body to control both radio and television. So much for that, Mr. Speaker.

I should like to urge the government to set up a special committee on veterans affairs during this session, or better still make it a standing committee instead of a special committee. We need a complete revision of the War Veterans Allowance Act, particularly to consider increasing the ceilings on their total income, so that a man can work without being penalized. Many of them today are living in abject poverty, and it is a shame and a disgrace that those men should have to live under those conditions after all the sacrifices they made for this parliamentary system that we have in Canada.

I would add my word to that expressed by the hon. member for Vancouver South (Mr. Laing) this afternoon when he asked that something be done for the blind people of this country. I suggest that the government remove the means test from the blind pension and consider it as an acknowledgment of the handicap, and let them go to work so they can take their places as producers in this country of ours.

Speaking of our group the other night the hon. member for Calgary West (Mr. Nickle) said that he must be guided—because he had seen no other statement of policy recently—by the platform adopted by the Social Crediters in Saskatchewan, asking for an old age pension of $100 without the means test, and for tax exemptions of $2,500 and $5,000. Well, I am amazed that an hon. member of his reputed intelligence could make such a statement. Surely the hon. member has been here long enough to know our platform, if he had paid any attention to the speeches that have been made from this corner of the house. If he had any doubts about anything that has been said in this house, or needed a copy of our platform, any of our offices are just as close as his telephone. He could pick it up and telephone us and ask us what was going on. It is quite apparent that the hon. member for Calgary West prefers to remain in ignorance of our policies.

Mr. Nickle: I have been close to them for 17 years.

Mr. Thomas: In the event that he has not been able to get anything out of our speeches, I am going to take the opportunity of sending him over a copy of our charter so that when he makes any more speeches in future he will have something to go on without digging into some resolution that was passed in the province of Saskatchewan.

Mr. Cruickshank: Send me a copy, too.

Mr. Thomas: Drop around any time.

Mr. Johnston: You will get enough of it.

Mr. Nickle: Do you accept this Saskatchewan policy as national policy?

Mr. Thomas: That was a resolution.

Mr. Byrne: Based on Douglas social credit?

Mr. Cruickshank: Is $25 a month in that book?

Mr. Johnston: You had better take your $25 a month or you won't have a seat.

Mr. Thomas: The other day the hon. member for Provencher (Mr. Jutras) spoke of Social Crediters being ex-Tories and Tories at the present time. I can understand the hon. member making a statement like that, and I can understand quite a few of the hon. members on the other side of the house making such statements. It is wishful thinking. They hope that the Social Crediters will not take their strength away from them but will take only the Tories'. Many of them had better keep on hoping. The hon. member for Vancouver South shakes his head. He should be the last one to say anything about that. I had a long talk with his campaign manager at the last general election. He ran as a Social Credit candidate in Vancouver during the last provincial election.

Mr. Johnston: Laugh that one off.

Mr. Laing: He ran in a different riding from mine.

Mr. Thomas: He was still a Social Crediter and the hon. member was trying to intimate that we gained all our strength from the Tories.

Mr. Laing: He ran in a different place.

Mr. Johnston: The best Liberals are going Social Credit.

Mr. Laing: I hope he runs federally next time.

Mr. Thomas: The other night the Minister of Mines and Technical Surveys (Mr. Prudham) read a manuscript in the house. The author of that manuscript is unknown.

Mr. Prudham: Whom do you think it is?

Mr. Thomas: We are convinced that he is the same writer who prepared a similar manuscript for Mr. J. Harper Prowse, the leader of the Liberal party in Alberta during the last provincial election.

Mr. Prudham: It is still good stuff; it is still true.

Mr. Thomas: The people of Alberta were so enthused over the platform that they elected 4 Liberal members in a house of 60. Just for comparison it may be interesting to note that that comes to one-fifteenth, and if we take the 17 federal seats in Alberta and divide them by fifteen we get one and two-fifteenths. When we use seniority we find that the hon. member for Athabaska (Mr. Dechene) has been here longer than any of the others, so we can presume that he is going to be elected again. That leaves two-fifteenths. I am not going to say what member is that two-fifteenths. Far be it from me to do that, but last night the minister indicated that he was coming back.

Mr. Prudham: There will be more Liberals than the last time, anyway.

Mr. Thomas: I do wish that the Minister of Mines and Technical Surveys would at least revise that old speech that went through the provincial campaign.

Mr. Prudham: Don't you like it?

Mr. Thomas: Because it did not do any good. He may as well admit that the Liberal party in Alberta is in a rut. The only difference between a rut and a grave is the dimensions, and they are almost ready for it. As a matter of fact many of the Liberals in Alberta were so pleased with the Social

Credit administration that they did not even nominate candidates to run in some of those ridings, and last night the minister was talking about the pathetic municipal situation within Alberta—

Mr. Johnston: As he called it.

Mr. Thomas: Yes, as he called it; and they did not even run a candidate against the minister of municipal affairs. He went in by acclamation. I wonder just what the Liberals within that riding think of the minister of municipal affairs. We can understand quite easily how disturbed the Minister of Mines and Technical Surveys must be when he knows that the Liberal following from Alberta in the next house can quite easily be nil. He has to be thinking of something, and because of that fear we have to expect numerous frenzied attacks such as we experienced last night.

Mr. Prudham: That was just the truth.

Mr. Thomas: I am speaking of Alberta, and British Columbia.

Mr. Cruickshank: British Columbia will look after itself.

Mr. Thomas: They sure did last summer.

Mr. Cruickshank: And regret it already.

Mr. Thomas: Last night the minister mentioned roads—

Mr. Laing: Nineteen out of forty-eight.

An hon. Member: How many Liberals?

Mr. Laing: The aristocracy of the unqualified.

Mr. Thomas: The minister mentioned roads last night. How well do I remember the road policy advocated during the provincial election campaign in 1948, when their leader Mr. Prowse stood up and said, "If the Liberals are elected we will give you the best roads you have ever seen in Alberta. First thing, we will borrow $100 million, and we will build roads with it".

Mr. Blackmore: And that would mortgage the oil industry completely.

Mr. Thomas: The people of Alberta did not like it.

Mr. Prudham: And we still have not got the roads.

Mr. Cruickshank: You got the oil, and not the roads.

Mr. Thomas: I will come to that. While we are talking about Liberal policy, I would like to read from the Bank of Canada report which deals with the financial position of Manitoba, Saskatchewan and Alberta in 1937.

[Mr. Thomas.]

Mr. Cruickshank: Read about British Columbia, too.

Mr. Laing: A Tory report.

Mr. Cruickshank: Look on the other page.

Mr. Thomas: At page 34 we find the summary and conclusions in this Bank of Canada report. Speaking of the period between 1905 and 1922, a period of Liberal administration, the report says:

> After making full allowance for the rapid economic development of the new province, and the legitimate cost of facilities provided by the government to aid and stimulate this development, it remains the case—in our opinion—that the 1905-22 period was characterized by waste, loose administration, and incurrence of debt to an extent which could not be justified even when allowance is made for the optimistic spirit of the times.

Mr. Johnston: And that was Liberalism.

Mr. Thomas: Now, when we have our province in a pretty fair position, they want to start over again and ruin it again for us. The minister also said last night in referring to Alberta that it was oil that had contributed to her wealth, and that policies had nothing to do with it. Well, listen to this same report at page 25:

> By the summer of 1935 Alberta had largely exhausted its liquid and realizable assets in order to meet its chronic cash deficiencies, and when a run on the savings certificates took place in August, 1935, the necessary funds were not available.

That is what it was like when they took over.

Mr. Prudham: That all changed in 1948, though.

Mr. Thomas: Let us just go to 1937, ten years before we had oil in Alberta, and see what the Bank of Canada report says. It says this:

> It is the case, however, that Alberta's budgetary position differs materially from that of the other provinces, by reason of the fact that interest payments have been reduced by 50 per cent, or $3,400,000, and, other things being equal, its cash requirements have been reduced by the same amount.

And then it goes on to say:

> We find that Alberta can maintain its governmental services on as favourable a basis as Manitoba or Saskatchewan without receipt of additional assistance, and we therefore see no basis for recommending that temporary financial aid should be extended by the dominion government.

That was two years after we took over.

Mr. Prudham: You defaulted on your bonds, that is why. That is no credit to you.

Mr. Thomas: You would like to have some of those today, wouldn't you?

Mr. Cruickshank: Yes, after you found oil.

Mr. Thomas: The minister last night—

Mr. Blackmore: After we found the brains, that was the main thing; brains and character.

Mr. Thomas: The minister last night—

Mr. Cruickshank: You got the characters, all right; we admit that.

Mr. Thomas: The minister last night tried to ridicule the hon. member for Peace River about living in Ottawa.

Mr. Prudham: No, I did not.

Mr. Thomas: He knows, as does every other member in the House of Commons, that it has been the custom for the leaders of groups to live in Ottawa, where they can be close to their work. That has been done by Liberal, Conservative, C.C.F. and Social Credit. They have to be close to their work. And if the minister does not know that—well, my goodness—

Mr. Prudham: He never has lived in the constituency.

Mr. Thomas: And he has not run from province to province trying to find a seat he can win.

Mr. Prudham: He has run from constituency to constituency, though.

Mr. Blackmore: But they chose him.

Mr. Shaw: How about your former prime minister?

Mr. Cruickshank: He was a prime minister, not the leader of a little jerkwater joint.

Mr. Thomas: Sour grapes won't help you.

Mr. Bryce: Read what Bruce Hutchison said about him.

Mr. Laing: Leave it over to the next election.

Mr. Thomas: The minister last night made reference to our taking the stand that we have the only Christians, or that we are the only political party in Canada with Christian beliefs. We have never claimed to be the only one.

Mr. Cruickshank: You have so.

Mr. Thomas: No; but we do claim we have Christian principles today in our movement. That is correct.

Mr. Prudham: I said you have no monopoly; that is all.

Mr. Thomas: There is probably a lot of Christianity in the Liberal policy. But the financial set-up that we are labouring under and which the Canadian government adheres to is as anti-Christian as anything could be, and the minister knows it. The Creator placed all things on this earth so that we might use them. They were put there for our use. Yet we are tied down to a financial system which will not allow us to use them. Money was created to use, as a means of distribution of the wealth of this country. Today we find that the productive system of the country is enslaved by the monetary system.

Mr. Laing: Who are these international financiers?

Mr. Blackmore: I will give you a book about them, so you can find out.

Mr. Cruickshank: You send a book, and then you charge 50 cents for it.

Mr. Laing: Tell us now.

Mr. Thomas: The hon. member for Vancouver South (Mr. Laing) mentioned funny money. Could there be anything funnier than money that has reduced its value 50 per cent in the last ten years?

Mr. Laing: Explain to us the fair price. What is the fair price?

Mr. Shaw: Funny money—50 cents on the dollar.

Mr. Thomas: They talk about the printing press. Every dollar the minister has in his pocket tonight came from the printing press.

Mr. Laing: Explain the meaning of the fair price.

Mr. Thomas: The only difference between Social Credit policy and the policy of the present government is the fact that we use some common sense in the issuing of that money.

Mr. Cruickshank: Our money is good, yours is not; that's the only difference.

Mr. Shaw: Fifty cents for every dollar.

Mr. Cruickshank: And it is good anywhere in the world.

Mr. Shaw: At a 50 per cent discount.

Mr. Maurice Boisvert (Nicolet-Yamaska): Mr. Speaker, at the beginning of each session the speech from the throne informs parliament of the matters that will be discussed and forecasts the legislation to be enacted for the good of the country. The speech contains wide, general and sometimes vague statements. One must read between the lines to find out exactly what legislation is proposed. The wider the meaning, the greater opportunity it affords of debating the various aspects of our national problems. This year the speech places before us such important matters as international policy, the St. Lawrence seaway project, radio television, international trade, and so forth. Before expressing an opinion on one or two of those problems which are so important to Canadians I should like to add my congratulations to

those already offered to the mover of the address in reply to the speech from the throne, the hon. member for Brome-Missisquoi (Mr. Deslieres) and to the seconder, the hon. member for Waterloo North (Mr. Schneider) upon the manner in which they have discharged a difficult task. They have won the admiration of this house and have fully justified the confidence placed in them by the electors of their respective constituencies.

I should like also to congratulate the two hon. gentlemen who have been appointed members of the government. I refer to the hon. member for Vancouver Centre (Mr. Campney) who is an Associate Minister of National Defence and the hon. member for Coast-Capilano (Mr. Sinclair) who is our new Minister of Fisheries. I have no doubt that both of these gentlemen will carry out their duties with competence and with the highest standards of responsibility.

I want to extend a welcome to our new colleagues the hon. member for Richelieu-Vercheres (Mr. Cardin) and the hon. member for Outremont-St. Jean (Mr. Bourque). Their presence in this chamber is evidence that hon. members opposite are in a brown study if they think the Liberal party has lost any of its strength in the province of Quebec.

(Translation):

Now, Mr. Speaker, I would like to say a few words in my mother tongue about a matter that has already been dealt with by the hon. members for Labelle (Mr. Courtemanche) and for Portneuf (Mr. Gauthier). It is about a great Canadian, Mr. Henri Bourassa. In doing so, I must not forget that one of his friends, Mr. Paul-Emile Lamarche, was member for Nicolet-Yamaska from 1911 to 1917 and I should also recall to the house that Mr. Paul-Emile Lamarche was always true to Mr. Bourassa.

As I said a moment ago, the hon. members for Labelle and for Portneuf paid a well-deserved tribute to Mr. Bourassa. At the turn of the century, I was too young to accept or reject Mr. Bourassa's ideas. However I had occasion to meet him during the course of my legal practice and I always had much admiration and sympathy for his wide talent and his spirited oratory. He was a dangerous politician and he will be remembered.

A friend of Laurier, he fought against him and then made friends again. He deserves that we honour his memory, that we remember him as a man of exceptional culture, constantly inspired by a strong desire to clash with someone on the ideological field.

In the course of the last debates in which he took part, he voted against the party to which the hon. member for Labelle is quite proud and happy to belong. I am sorry that he is not in his seat tonight. On a matter of great interest, trade relations between Great Britain and the commonwealth, Mr. Bourassa spoke as follows, on May 15, 1930. I quote from page 2127 of *Hansard:*

> "I sympathize with the English, I think the world would be worse if England disappeared, the world would suffer if English power were too greatly weakened. However, it is ridiculous, it is the thought of a parvenu or of a child who has not measured his strength, to imagine that we can settle the affairs of England. Let us rather come back to the thought which has been frequently expressed by the leader of this government and by the Minister of Justice (Mr. Lapointe): Let us frame our policy first to suit ourselves, but frame it with an open eye, so that we may deal preferentially with people who are prepared to deal with us. I wish to state that there is no people on earth with whom I would rather deal, or with whom I would rather commune mentally or politically, than the British people.

At this very moment, the Prime Minister of Canada (Mr. St. Laurent) and the Minister of Finance (Mr. Abbott) are in England where they are attending a conference which will deal with problems similar to those we had to face in 1930. There is no doubt, on this side of the house, that our representatives will take stands consistent with the best traditions of our party and in the best interest of our country. We do not see very well how our relations with Great Britain and the nations of the commonwealth could affect our actual sovereignty and the authority of our parliament over our own affairs as a nation. It is difficult to understand what the Leader of the Opposition (Mr. Drew) meant when he said, during the present debate on the address in reply to the speech from the throne, as reported on page 28 of *Hansard:*

> Our real sovereignty and full authority over our own affairs as a nation will depend in very large measure on the extent to which the Canadian government succeeds in reopening the commonwealth and sterling markets so that our trade is better balanced, and we have some freedom of action in the event of economic storms in the United States or acting at any time by their government which might interrupt the flow of our exports. There is nothing in the speech from the throne to indicate any intention on the part of the government to take appropriate action in pursuance of this great need.

It is strange that the Leader of the Opposition could have spoken of centralization in connection with relations between the government and the provinces, when, in his opinion, our sovereignty as a nation would be threatened if we failed to resume trade relations with England and the commonwealth countries. Does it mean that our sovereignty is still

partly dependent on Great Britain? If that were the case, it would be imperative for the hon. member from Labelle to shed his Harlequin's coat. His nationalism is closely akin to that of those who betrayed Bourassa and of whom he complained all his life.

(Text):

I should like to deal with some of the international problems. What emerges most strikingly from the speech from the throne, the terms, aspects and forecasts of which we are now studying, are policies both national and international. There are very few questions which are not in one way or another linked up with the unsettled and threatening international situation. Certain problems which seem to be of a purely local economic nature become interwoven with conditions that arise in distant or neighbouring countries. For instance, the outbreak of the foot-and-mouth disease was a local affair, but that was followed by an embargo imposed by the government of the United States which made inoperative for a time a trade agreement of international character.

Canada was blessed with a bumper crop this year, but our western farmers will not benefit unless it is disposed of in the markets of the world under our trade agreements. Again this is a matter of policy at the international level.

I have already stated that in the international field the situation is confused, uncertain and even gloomy. The Korean war does not seem to have given rise, in so far as the democratic countries are concerned, to an emotional reaction which would cause this struggle to be considered by the people involved as a holy war, one which falls well within the terms of the first paragraph of article 1 of the United Nations charter signed at San Francisco on June 26, 1945. This article reads as follows:

> The purposes of the United Nations are:
> 1. To maintain international peace and security, and to that end: to take effective collective measures for the prevention and removal of threats to 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.

When the United Nations charter was signed a wave of confidence swept over the world. It seemed to us all that at last the whole globe would be delivered from the nightmare of war and that the peoples of the world, having walked a bloody path for so long, would at length understand how to adapt civilization to modern conditions, would be capable of establishing an international sovereignty based on a peaceful rule of law, with no recourse to armaments more shocking and terrifying than the fires of heaven. Yet, unfortunately, nothing has changed except for the worse. Russia, thanks to its communist agents, has managed to bring into its sphere of influence, through devious means incorporating blackmail and threats, would-be free nations such as Poland, Czechoslovakia, Bulgaria and Roumania, to speak of Europe. In Asia we have China, this inexhaustible reservoir of human beings whose poverty and fatalism may in time make possible the formation of immense armies ready to undertake violent wars of conquest at Russia's behest in the name of that materialistic ideology which, so to speak, divorces the human spirit from its true function, which is thought, and weds it instead to a doctrine of blind animal subservience. The docility and servility of these armies would turn them into instruments of mass murder and destruction.

For the past two years Asia Minor and Africa have been shaken by a series of disquieting events. This brings us to the Iranian oil question, the question of treaties between England and Egypt, the uprising of the negroes in Kenya, the racial question in South Africa. I say these things to show that, from the point of view of international strategy, the area of the territories where large-scale manoeuvres could be undertaken to bring about the victory of our armies is more and more narrowing, more and more shrinking. If Russia, through its agents urging the indigenous population of African countries to revolt, succeeded in putting the political, economic and military situation of our allies and the member states of the North Atlantic treaty in a precarious position should war break out anew, which heaven forbid, then it will be possible to win it only by the virtual obliteration of the enemies of the liberty and security of all peoples, a solution that would annihilate more than half the globe. It means that we would have to use atomic bombs as well as the hydrogen bomb, whose unavoidable use would be equivalent to a real betrayal of our civilization. As between losing and winning, of course we will have to win, but at what a shameful price.

In the face of this pessimistic view of things, I wonder whether it would not be advisable to revise the international policy of free peoples and revert to secret diplomacy rather than this open diplomacy which has been practised since the last war. We well realize that the meetings of the United Nations are a forum for Moscow-inspired diplomats. They are thus in a position to

submerge the whole world, as they do indeed, with their insidious and skilful propaganda. So far as our side is concerned, Russia by all means conceivable, as much within its own borders as beyond those of satellite countries, prevents the diplomats of the member nations of the North Atlantic treaty from reciprocating by informing their nationals of the objectives which we intend to achieve in order to maintain universal order in an atmosphere of peaceful stability, and in adopting for this purpose only amicable solutions liable to produce earnest advantages for all peace loving and progressive peoples. As long as the United Nations are serving the objectives of Russia and communism in the world, would it not be better to rely on a much more secret diplomacy which would plunge Russian diplomats and Russophiles into perplexity as regards our means, and leave the Russian people in a troublesome anxiety?

Is it not true that controversies break out here and there within the member nations of the North Atlantic pact to the effect that the United Nations is not able to achieve the end it had in view? It seems also that the Korean war will not be settled by the general assembly of the United Nations, as it appears that the meetings of the United Nations are becoming a source of conflict between member nations. France, for instance, complains bitterly of the stand taken by the United States on the claims made by the people of Tunisia and Morocco. The United Nations meetings are truly marathons of oratory by the Russians and advocates of the so-called people's democracies, who stir up throughout the world a kind of propaganda which is likely to push farther and farther back the horizon where, at one point, it appeared to us that the star of peace had risen in a sky still red with the fires of destruction. Russia and communism profit considerably by our divisions and our disagreements which, however normal and understandable they may be, show that notwithstanding our efforts toward peace we are far from seeing eye to eye on the means of attaining it.

The Secretary of State for External Affairs (Mr. Pearson) deserves to be complimented on his appointment to the general assembly of the United Nations. His appointment reflects the position our country occupies among the nations of the world, and it shows up the personality of our Secretary of State for External Affairs, a personality which is acknowledged by the government of Canada, the House of Commons and the Canadian people. The Secretary of State for External Affairs wants peace. If he does not attain it we shall know where to put the blame, for he will waste no opportunity to make use of his ability and wisdom in order to find and have accepted a formula which will respect the rights based on international justice. The Secretary of State for External Affairs is not far from the views I have just expressed when, in the foreword to the book "Canada and the United Nations, 1951-1952" he writes:

> The United Nations is neither a military alliance against communism nor an embryonic form of world government. Essentially the charter of the United Nations is a multilateral treaty which has been ratified by the great majority of sovereign states. It is a treaty with enormous scope and has led to the establishment of machinery for nearly every form of international political, social, economic, cultural and humanitarian co-operation. Yet it is a treaty which is meant specifically to protect the jurisdiction of states in essentially domestic matters. Moreover, it is a treaty which in collective security matters requires for its full enforcement unanimity among the great powers. Not only does this unanimity not exist; there is acute division between these powers—between the free world and the Soviet world. The United Nations did not create this division but it does reflect it.

In view of the fact that the United Nations seems unable to reach our objective of peace without taking the risk of being involved in a general conflict, it might be wiser to revert to ancient diplomacy and try to ward off war by a web of military defensive alliances. These alliances would see nations bind themselves through clauses similar to article 5 of the North Atlantic treaty which reads as follows:

> The parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defence recognized by article 51 of the charter of the United Nations, will assist the party or parties so attacked by taking forthwith, individually and in concert with the other parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

The North Atlantic treaty will undoubtedly become the stumbling block on the road to peace because, under this treaty, in order to deter aggression rather than as a menace to Russia and her satellites, the member nations are engaged in building military strength capable of holding in check any possible enemy who might be tempted to infringe the security of the United Nations or threaten their territorial integrity. In order to reinforce the clauses of the treaty, multilateral pacts should be signed, even between nations who are parties to the North Atlantic treaty and their immediate neighbours. Such treaties could be arranged between groups of Asiatic, African or South American nations which would, at a later

date, become part of the North Atlantic alliance. This would ensure that the clauses of the United Nations charter would become the law of all nations.

The study of diplomacy shows us that offensive and defensive military treaties did not prevent the wars of 1914 and 1939. Let us not forget, however, that the parties to those alliances were separated by other countries which demanded that their neutrality be respected by their neighbours. Because of these neutrality agreements, the nation which was ready to wage a war and hoped to turn its aggression to the best advantage has always attacked one or other of these "neutral" countries which had fondly believed that it would not be engulfed in a conflict or become victim of an invasion. Once disarmed, these nations were easy prey. This neutrality was one of the reasons the military agreements remained ineffective. The signing of agreements similar to the North Atlantic treaty between groups of two or three adjoining nations would ensure a more effective defence of their territory, and offer a salient of resistance which would permit the forces set up by the members of the North Atlantic Treaty Organization to rush to the rescue of the country which might be attacked or invaded directly by Russia or her satellites. Mr. Heeney, Canada's permanent representative to the North Atlantic council, in a speech at Oxford on September 10, 1952, made the following statement, which I quote from the External Affairs *Bulletin* of October, 1952, page 342 of the English edition:

> Now it is true, of course, that our fourteen nations have much in common beyond our determination to remain free and to build up our strength to deter, and, if need be, to fight together against aggression. But, if it is difficult to delimit in terms of strategy the extent of our community, how much more difficult is it to set geographical boundaries to the spiritual community of free men?
>
> I am not suggesting that there is no essential unity, no political or other logic in the present grouping of nations in NATO. Much less am I suggesting that NATO should put on a drive for new members! Of course the present composition of the alliance makes sense—but it is primarily military sense at the present stage of events. All that I am trying to say is that we should remember that NATO does not comprise the whole community of free men. And we should look forward to the widening, as well as the deepening, of our association, particularly in those fields of endeavour associated with article 2 of the treaty which, in NATO parlance, have come to be known as the "non-military aspects".

I shall go further. If a war is in the making by the enemies of freedom, the whole community of free peoples should be militarily organized, not to launch an attack but to defend itself more effectively. The nations which have become conscious of their ability to resist aggression may want to avail themselves increasingly of the provisions of article 2 of the North Atlantic treaty concerning peaceful and friendly international relations. It is impossible to stabilize free institutions when people are living in a state of uncertainty and insecurity.

War itself must be looked upon as an institution. Mythology had a god of war. Mankind, since it has been able to form groups and societies, has always waged war and, alas, always had to bear it. There have been racial and religious wars, wars of conquest and revenge, slave wars and so forth. Even the most developed civilizations could not stop them, and it must be granted that the more men have been policed and civilized, the more wars have destroyed lives, wealth, cities and countries. Before our Christian era conquerors took prisoners and put them into slavery. In more recent times prisoners have been taken and put into concentration camps to die, or been subjected to experiments that are loathsome to the mind. Were the mass slaughters practised in China thousands of years before Christ more inhuman than the executions that took place during the last great war? If war itself is an institution then it should be dealt with as such, especially when we know that a nation or a group of nations takes pleasure in creating situations and difficulties that may cause an outbreak at any moment.

Multifarious military alliances would make nations, great and small, more realistic about their security and their governments would be less inclined to rely on the armies of America to safeguard their territorial integrity. There is great danger of the people of America being led to believe that they will be the sole guardians of peace and security for the western bloc of nations. Our economic power is acting as a sedative on many European individuals. If nations that we have undertaken to protect and to defend were unable to offer the least resistance in case of an invasion, our armies on the spot could be destroyed far from their homeland, our own means of defence would be weakened, and our people would have to endure a siege of aerial war that could last a long time. There exists such a trend in United States policy. I can see this trend in connection with the Korean war. A well-known Republican representative, Joseph W. Martin, Jr., of Massachusetts, declared during a recent interview:

> We must waste no time in building up the anti-communist forces in Asia. We have got to build up the Korean army so that our boys can be withdrawn from the front line. I think we should build up the Japanese forces to deter aggression and we should encourage rebellions on the mainland of China.

I do not agree with the last part of Mr. Martin's statement because under the principle of self-determination for nations and peoples, they must be free to adopt the means they find proper to avoid and to defeat aggression. It would be a mistake on the part of United States diplomacy to make itself the agent of revolutions and rebellions. This would irritate the Chinese masses and enlarge the gap between Asiatic and American thought. On the other hand, if we could set up a Korean army with sufficient power to end the conflict and, at the same time, to bring home our troops, this would be a great step toward ensuring a better understanding between Asia, Europe and America.

From the moment he assumed command of the United Nations troops in Korea, General Van Fleet turned his activity in that direction. He has recruited young Koreans, and has instructed and trained them with great success. Korean soldiers proved equal to ours during the recent fighting to hold the hills. The presence of United Nations soldiers in Asia was necessary. However, one should not try to hide the fact that hundreds of millions of individuals consider it rather as a symbol of territorial claims rather than a move to defeat an unjust aggression. The United Nations army looks as though it were starting on a conquest of Asia where, according to Russian and Chinese propaganda, we are imposing by force our way of life, our ideas, etc. In time it would become possible, through the efforts of skilful diplomacy, to bring the populations of Asia to live in peace with one another and with ourselves, and to have relations with Europe and America which would, little by little, rescue them from the influence of Moscow.

I have not lost faith in the United Nations. We must not, either, lose faith in the efforts made by the general assembly of the United Nations to bring about a better understanding among all the nations of the world, among nations and peoples of different religions and races. There is much to be expected from what is going on in Europe. For the first time in history, France, Germany and Italy, to mention only the principal nations which have adopted the Schuman plan, have agreed to pool their resources of coal and steel to ensure a better distribution; for this has been the cause, in the past, of many conflicts. Another step is being made with a constituent assembly of Europe organizing itself to form a true European community with supranational powers granted by the states which will join that new and unique community of nations.

Freedom is one and indivisible; it exists for all human beings wherever they happen to live by reason of their birth. To retain its value, freedom requires a peaceful atmosphere. Such an atmosphere will exist only when war has been defeated. It is the spirit which prevailed in 1945 at the signing of the charter of the United Nations. The principles enunciated in the charter of the United Nations cannot be too often reiterated; and it is important for all of us to seek to bring about, at long last, the state of things which should exist, and then to ensure a lasting peace for the world at any cost whatever, be it money or gold. Gold and money can be recovered, but human lives cannot be restored.

Dark as may appear the sky under which the sessions of the general assembly of the United Nations are being held, one must share the views which were recently expressed by the Secretary of State for External Affairs (Mr. Pearson) in the following terms:

> After seven years the United Nations is still a young organization, still largely an experiment. But one thing has become increasingly evident. Despite the disappointments we have all encountered, there is no doubt that the spirit of interdependence in the world is growing . . . The progress is slow, but it is in the right direction and is constantly being made, often in the United Nations bodies which receive very little publicity. We must not, then, think of the United Nations solely in terms of the bitter disputes which now loom so large in the headlines. Our hope for the future of our world organization has a deeper and more solid foundation than these headlines would suggest. The battle against ignorance and prejudice and, yes, even against fear is steadily and perseveringly being fought. It must continue until one day victory is achieved.

I wish I could have expressed opinions on the question of radio television, the St. Lawrence seaway project and federal-provincial relations. I am sure we shall be given the opportunity to do so during the debates which will follow on those matters of great interest that will, of course, influence the progress and development of our country toward a destiny which we want all nations to envy and which should be based on law, justice, broad-mindedness, mutual understanding and, above all, respect of the human person and dignity.

On motion of Mr. Weir the debate was adjourned.

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

HOUSE OF COMMONS

Monday, December 8, 1952

The house met at 2.30 p.m.

TELEVISION

EXTENSION OF SERVICE—APPLICATIONS FOR LICENCES BY PRIVATE STATIONS

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, I wish to make a statement of government policy on television.

For some time the government has been giving careful consideration to the development of television broadcasting in Canada. In its consideration it has had in mind the report of the royal commission on national development in the arts, letters and sciences. The commission recommended that the Canadian Broadcasting Corporation proceed with the production of television programs and with plans for national coverage. It spoke of extension of national coverage both through publicly and privately-owned stations. It said that no private station should be licensed until the C.B.C. had available national television programs and that all private stations established should be required to serve as outlets for national programs. It emphasized the need for direction and control of television broadcasting in Canada to prevent Canadian stations from becoming mere channels for broadcasting material from outside Canada and to encourage Canadian content.

The government believes, with the royal commission, that television should be developed in Canada with the aim of benefiting our national life and that it should have the structure and the means required by Canadian conditions to ensure an adequate amount of suitable Canadian programs for Canadians as well as using some material from outside the country. Television will undoubtedly play a considerable part in the lives of many Canadian families. It is bound to have a strong effect on the growing minds of young people watching it in their own homes. The government believes it should be so developed in Canada that it is capable of providing a sensible pattern of programming for Canadian homes with at least a good portion of Canadian content reflecting Canadian ideas and creative abilities of our own people and life in all parts of Canada.

The government knows also that, because of the nature of our country, there must be a wide integration of effort and resources if we are to have adequate television service suitable to our national needs and reaching at least a major part of the public in all regions. Now that national television service has started, the government believes that it should be extended as widely and as quickly as possible to other areas. Therefore, it is proposed to ask parliament to approve a loan to the Canadian Broadcasting Corporation for the purpose of building stations on the Pacific coast, in the prairie provinces, and in the Atlantic provinces. These would be established in the Vancouver, Winnipeg and Halifax areas. Thus, in addition to the stations at Montreal and Toronto, and that to be built at Ottawa, there would be publicly-owned stations with some production facilities at least in each of the main regions of the country.

In addition the government will now be ready to receive applications for licences for private stations to serve areas not now served or to be served by publicly-owned facilities already announced. The government has indicated to the Canadian Broadcasting Corporation that it is prepared to consider applications for such licences which may be recommended by the corporation after being made in the usual way to the Department of Transport.

The objective will be to make national television service available to as many Canadians as possible through co-operation between private and public enterprise. Under this plan the private stations licensed will carry national program service, besides having time for programming of their own. There will be plenty of opportunity for enterprise by private interests in television broadcasting, and at the same time provision for wide extension of the national service. Since the objective will be to extend services as widely throughout Canada as is practicable, no two stations will be licensed at the present to serve the same area. A television station can serve only a comparatively small area. Canada is very large and it will require a good many stations before television can be brought to the people in most parts of our country. It is desirable to have one station in as many areas as possible before there are two in any one area.

The government believes that the policy adopted will provide for the integration of effort and resources, both public and private,

that is necessary for the development of our television broadcasting serving our family and national life, and reaching as great a number as possible of Canadians.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, since the presentation of a statement of policy such as that which we have just received is by concurrence of the house and not by strict rule, I assume that it will be permissible to make comments on this statement which has been accepted in this way.

I would point out that what has been said seems to be an intermediate stage between the speech from the throne and the presentation of the actual legislation which will deal with the subject matter of the comments now before us. And since this is merely in anticipation of further steps to be taken, I believe it is appropriate to place before the government considerations which I think should be in their minds in regard to this very important subject, in the hope that an irretrievable plan will not be made in regard to this vitally important medium of communicating thought and news and the presentation of the events which come before our eyes.

The minister responsible for the Canadian Broadcasting Corporation in this house has reiterated the previous statement that was made that private stations are not to receive licences in those places where public stations are now operating, or are to operate, as stated to us today, in Vancouver, Winnipeg and Halifax, in addition to Montreal and Toronto.

I submit, Mr. Speaker, for the consideration of the government, before they present this legislation or take further steps, a proposition which it seems to me is inherent in the whole concept of the C.B.C. as I understood it, and as I believe many other Canadians understood it.

The idea of the publicly-owned system was that it was designed to assure the reception of broadcasting to the people in Canada who otherwise might not receive it, unless there were a publicly-owned system, because of the economic factors involved in a very large country of this kind. In the case of the broadcasting of radio broadcasts as distinct from television broadcasts, it was obviously essential to provide networks into areas where the ordinary competitive private systems might not find it financially attractive to operate. All parties in this house have subscribed to that idea. There are differences of opinion as to the way in which it has been carried out; there are differences of opinion as to the manner in which the administration and supervision of this system should be carried out. But in the case of television, which now enters the scene and is brought under the authority of the C.B.C., an entirely different factor presents itself. In the first place, as the minister has just pointed out, television covers at this time, no matter what may happen in future years, only a relatively small radius surrounding each television station. There are the two main devices for carrying the program, the co-axial cable and the microwave relay. Either one of those systems however will in turn carry only the television broadcast to another station, which in turn has a limited area of coverage, and not the wide coverage of those great radio broadcasting stations which now reach the most remote parts of Canada. Therefore, if the concept of the C.B.C., in relation to this new medium of communicating thoughts, news and pictures of events as well, is to be carried forward consistently with the original idea, then surely it should be the purpose of the C.B.C. to provide television broadcasts in those areas where private broadcasting will not find it economically convenient to do so.

That was the intention of the C.B.C. in relation to radio broadcasting. If the same principle is carried forward, then surely the whole purpose of the C.B.C. in relation to television should be to let the private stations, without public expense, broadcast the television broadcasts in the great areas of concentrated population where that is financially possible, and for the C.B.C. to provide the television broadcasts in those areas where the ordinary financial returns will not justify private investment. Surely that is a clear, a simple concept of the role of the C.B.C. in this new medium of communicating ideas and pictures, if we follow the same concept which has always been accepted as the guiding purpose of the C.B.C. in regard to radio broadcasting, no matter how much any one of us may think they have departed from it.

I strongly urge the government to review its position in relation to that basic concept of public ownership in relation to broadcasting, either radio or television, and that before a bill to authorize this step be presented to the house they will have given full consideration to the purpose of the C.B.C., to the reason why it was decided to have a publicly-owned system in this country. And I would hope that in reviewing the situation they would come to the conclusion that if they return to basic principles they will change the policy as now announced.

Then may I also point out that there has been no reason placed before us at this time as to why there should be only one station in any one centre. No explanation has been

given to us as to why there is this fundamental difference between television and radio broadcasting in regard to programs of this type. Whether they be private or public stations, surely competition in such areas will be beneficial from the point of view of the ultimate programs and the variety of programs available in the larger centres.

After all, what should be remembered is that in many of the large Canadian centres today Canadians already have a variety of programs available to them. They are able now in Toronto, Vancouver, Windsor, Sarnia, Niagara Falls and in many other places in Ontario and other parts of Canada to bring in several different programs which are competing with our own programs.

If we want to raise the standard of our television to the point where people will watch our television instead of American television in those areas now served, it would be well for us to take advantage of competition here in Canada as well as in the United States.

Also might I point out one inconsistency in the statement made to the house by the minister in regard to the policy just announced. He has stated it is the intention of the government to do what it can to prevent stations becoming mere outlets for programs from the United States. Now, that sounds like a very admirable purpose. But, Mr. Speaker, the interesting thing is that, although the apparent desire of the C.B.C. is to prevent our stations becoming outlets for programs from the United States, the Canadian Broadcasting Corporation already, at very considerable expense, has built a microwave relay connection with what is hardly a Canadian station at Buffalo, so that we can pipe in Canadian programs from there.

We do not need to pipe programs from Buffalo because the Buffalo programs are already coming in. As a matter of fact the record shows that they are being watched by a much larger Canadian audience than Canadian programs in that area.

Mr. McCann: The C.B.C. has no relay.

Mr. Drew: What is that?

Mr. McCann: The C.B.C. has not built any microwave relay anywhere.

Mr. Sinclair: Is this a debate?

Mr. Speaker: Order. I think now the house is entering upon a debate on the subject. Of course I cannot allow a debate on it at this time. The remarks of the Leader of the Opposition (Mr. Drew) should be directed strictly to the statement which has been read. We cannot generalize.

Mr. Drew: I am dealing strictly with what the minister has said. I was pointing out his reference to the introduction of programs here. I was referring to the fact that the C.B.C. has made facilities available for the introduction of United States programs into Canada, and indicated that the C.B.C. has expressed its regrets that it has been unable to make appropriate arrangements to bring those programs in because of certain pending discussions that are still under way.

I submit, again, that there should be a clear policy in this respect, and that the House of Commons should know what that policy is. It should be given further consideration. Although the purpose is to provide Canadian programs, if Canadian money is going to be put up for publicly-owned stations in areas where private enterprise has indicated that it is ready to go on, then I suggest that Canadian money does not need to be put up to bring programs in from the United States, because those commercial interests are ready to bring them in in any event.

PROGRAM ENTITLED "HILDA MORGAN"

Mr. George A. Drew (Leader of the Opposition): When the minister refers to the quality of the programs I would express the hope, in relation to what I said in the house the other day, that he will also tell us what his answer is to be in regard to that disgraceful program which was put over the C.B.C., and which I mentioned in the house a few days ago.

Hon. J. J. McCann (Minister of National Revenue): May I answer that now? I think the hon. member is referring to the program called "Hilda Morgan". The government does not propose to take any action regarding the play "Hilda Morgan" recently telecast by the C.B.C. Under the Canadian Broadcasting Act, the C.B.C. itself has the full responsibility for all programming matters.

The C.B.C. has received only three unfavourable comments on the play, and a considerable number more of favourable comments. The only press comment found was in the Toronto *Telegram,* and that was favourable.

CRIMINAL CODE

COMMUNIST CAMPAIGN TO DISCREDIT PROPOSED REVISION

Hon. Stuart S. Garson (Minister of Justice): Most members of the House of Commons have been receiving postcards reading as follows:

I am deeply disturbed by sections 46, 49, 63, 365 and 372 of Bill H8 (the proposed revision of the

Criminal Code), now being reviewed by the standing committee on banking and commerce in the Senate.

These and other sections of the bill have no place on the statute books of a democratic country, and I strongly urge you to oppose such police state legislation if and when it comes before the House of Commons.

The name and address of each hon. member to whom these cards are sent is not typewritten but printed on each postcard, indicating clearly that those responsible for this campaign are making it as easy as they can for the citizens to whom cards are circulated to merely sign the card and send it on under the franking privileges of the hon. member to whom it is addressed. The contents and purport of the sections of the code referred to are not indicated in any way, so that it is impossible for those who send the cards to get from the cards themselves any idea as to what they are protesting against. These cards are the latest phase of a well-organized and financed campaign directed against the enactment of these clauses of Bill "O" of the Senate. Although the revised code, or as it is now numbered Bill "O" of the Senate is not yet before the house, it is desirable in the public interest to place before the house information about the true origin, character and intent of this systematic campaign to discredit this legislation.

Certain hon. members have indicated some puzzlement as to what the significance of it was and suggested that it might be of interest to all hon. members that a statement be made.

This intensive campaign is conducted by the communists in Canada. To disguise the real communist control behind the campaign, the attack on Bill "O" is operated through the league for democratic rights, a front organization which is thoroughly communist-controlled and communist-inspired. The propaganda by the league for democratic rights, while directed to a wide variety of groups, is especially aimed at the trade unions.

Long before these postcards were circulated amongst many Canadian unions, I checked with the Ottawa head offices of the Canadian Congress of Labour and the Trades and Labour Congress to make sure that they were aware of what was going on. Not only had they been for some time well aware of the efforts the league for democratic rights was putting forth to line up their respective unions in opposition to Bill "O" but I am glad to pay tribute to the measures which they have taken to expose this barefaced communist manoeuvre to influence their locals and members.

[Mr. Garson.]

As examples of the measures they took, I think perhaps hon. members would welcome my quoting from some of the editorials in the labour papers, if for no other reason than that the hon. members themselves might use those quotations in replying to the postcards they have received. In many cases, I am sorry to say, good, patriotic, innocent Canadians have been taken in by this sort of propaganda. I should like to quote from the November issue of the Trades and Labour Congress *Journal* which, I believe, has not yet come to the attention of all hon. members of the house. It is as follows:

One of the most difficult problems confronting democratically elected governments is how to frame laws that will give needed protection against those who work and scheme to destroy democracy and democratic institutions and at the same time not infringe on the fundamental freedoms and rights which people in the free world cherish.

Most right thinking citizens desire some protection from the treachery or the Boyers, the Allens, the Mays and the Roses, and many others who are actively and continually exploiting the weaknesses of democracy with the sole objective of substituting dictatorship for democracy and slave camps for freedom. None recognize this problem more than the international communist party. It was for this reason that such fronts as the league for democratic rights came into being. In Britain they are known as the National Council of Civil Liberties.

At the present time a flood of circulars are being mailed out by the so-called league for democratic rights regarding some of the proposed amendments to Canada's Criminal Code as contained in Bill H8. Reading this stuff one is supposed to believe that the writers of the circular are really concerned with the organized labour movement and are fronting an expensive campaign on its behalf in order to protect Canadian workers from the hangman for the well-established crime of criticizing the government. To cinch this eyewash, the league for democratic "wrongs" with the assistance of the communist-controlled press (which has instructions to play it up) is quoting: "British opinion deplores Canada's Criminal Code amendments". Take a look at this British opinion. It is not that of the British Trades Union Congress, the British Labour party or the Churchill government, but it is the propaganda views of the counterpart of the same front in Britain.

The reference there to Bill H8 is really to Bill "O" of the Senate. This bill was introduced into the Senate last year and was given lengthy and careful consideration by the Senate. It has been reintroduced in the Senate this year and is now being considered by the Senate banking and commerce committee. When it is reported to this house we shall set up a committee with power to hear evidence from interested persons and organizations, as I stated in reply to a question by the hon. member for Winnipeg North Centre (Mr. Knowles) just the other day. The unions of Canada from the beginning, as I am informed, have planned to study this bill from the standpoint of organized labour

and will have an adequate opportunity to make representations concerning it.

BRITISH NORTH AMERICA ACT

AMENDMENT TO INCREASE QUORUM OF HOUSE OF COMMONS

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 18, to amend the British North America Acts, 1867 to 1952, with respect to the quorum of the House of Commons.

An hon. Member: Explain.

Mr. Knowles: Mr. Speaker, this bill is based upon the authority vested in the parliament of Canada to amend the British North America Act in respect to matters which are exclusively federal. The purpose of this bill is to increase the quorum of the House of Commons from a minimum of 20 to a minimum of 30 members. A still higher figure might well have been proposed, but this bill suggests 30 because that will at least maintain the proportion established in 1867. The house then had 181 members with a quorum of 20. On that basis, since we now have 262 members and will have 265 members after the next election, it would seem that the quorum should be at least 30 members.

Motion agreed to and bill read the first time.

CANADIAN VESSEL CONSTRUCTION ASSISTANCE ACT

RECOVERY OF INCOME TAX DEDUCTIONS

Hon. Lionel Chevrier (Minister of Transport) moved for leave to introduce Bill No. 19, to amend the Canadian Vessel Construction Assistance Act.

Mr. Green: Could we have an explanation?

Mr. Chevrier: Section 7 of the Canadian Vessel Construction Assistance Act allows a taxpayer, who in that case would be a ship owner, to claim as an item of deduction in his income tax return an amount which he is likely to expend in a quadrennial or any special survey under the Canada Shipping Act. This bill will provide for the recapture of any amount which he may have claimed but has not actually spent because the ship has either been lost, destroyed, sold or disposed of or for any other reason within the meaning of the section.

Motion agreed to and bill read the first time.

Proposed Legislation

PRISONS AND REFORMATORIES ACT

TREATMENT AND RECLAMATION OF YOUNG OFFENDERS—BRITISH COLUMBIA

Hon. Stuart S. Garson (Minister of Justice) moved the first reading of Bill No. 10 (from the Senate), to amend the Prisons and Reformatories Act.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 13, for the relief of Frances Wavertree Harris McClure.—Mr. Winkler.

Bill No. 14, for the relief of Nicole Jeanne Andree Marion Comys.—Mr. Winkler.

Bill No. 15, for the relief of Joseph Mattioli. —Mr. Winkler.

Bill No. 16, for the relief of Gabrielle Bertrand McCullough.—Mr. Winkler.

Bill No. 17, for the relief of Katherine Jessie McArthur.—Mr. Winkler.

Bill No. 11, for the relief of Barbara Carrique Cordeau.—Mr. Winkler.

Bill No. 12, for the relief of Frederick Kenneth Hare.—Mr. Winkler.

RELIGIOUS PERSECUTION

INCREASED SEVERITY IN IRON CURTAIN COUNTRIES

On the orders of the day:

Mr. J. H. Dickey (Halifax): Before the orders of the day are called may I ask a question of the Secretary of State for External Affairs, of which I have given notice. Has the attention of the government been called to the apparent increasing severity of religious persecution behind the iron curtain, particularly in Bulgaria?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, the answer to the question is "yes". Possibly I might be permitted to make a very short statement in regard to this persecution.

During the past few years the civilized world has been repeatedly shocked by the brutal persecution of religious leaders which has taken place behind the iron curtain. Protests have been made by this government in this house and in the general assembly of the United Nations against these attacks.

Recently 40 members of a religious order in Bulgaria were brought to trial charged with subversive activities. The trial followed the usual horrible and grotesque communist pattern, and death was decreed for the principal defendants, in this case on four priests, including Monsignor Eugene Bossilkoff, Passionist Bishop of Nicopol.

I am sure I am reflecting the view of every member of this house when I express our detestation and condemnation of this additional and shocking case of religious persecution. It is our intention at the first opportunity to voice our protest in the general assembly of the United Nations.

RADIO BROADCASTING

INTERNATIONAL SERVICE—EXTENSION TO POLAND

On the orders of the day:

Hon. J. J. McCann (Minister of National Revenue): I should like to answer a question which was asked on December 5 by the Leader of the Opposition with reference to Poland. I shall not repeat the question but in answer will say that there are no regular programs of the international service directed to Poland. Policy matters such as this are decided in consultation with the Department of External Affairs. The importance of the Polish people in the future of Europe and their trials of the present are fully recognized. Transmitter time for Europe, however, is limited and is fully occupied. It has so far been felt, taking all factors into consideration, that the transmission time and funds available should be divided as they are at present. Of the countries behind the iron curtain, regular services are directed to the U.S.S.R. in Russian and Ukrainian, and to Czechoslovakia in Czech and Slovak. Other European language services are French, German, Italian, Dutch, Danish, Swedish, Norwegian and Finnish.

Mr. George A. Drew (Leader of the Opposition): I should like to ask a supplementary question. Can the minister inform the house whether a gentleman of Polish extraction or Polish stock has been engaged for the purpose of starting such a program? If so, what is his name?

Mr. McCann: I have no knowledge of such an appointment or of consideration thereof.

Mr. Drew: I would ask the minister to take this as notice of a question, to check the name of the man who, it is reported, has been engaged and inform the house whether or not that is correct and, if so, what the name of the man is.

COMMUNICATIONS

NEGOTIATIONS FOR SALE OF B.C. TELEGRAPH AND TELEPHONE FACILITIES

On the orders of the day:

Mr. E. D. Fulton (Kamloops): I should like to direct a question to the Minister of Transport. Can the minister give any information as to the progress of negotiations for the sale of the government telegraph and telephone service facilities in British Columbia? Can he outline what arrangements will be made to protect the position of the employees of the service with respect to—

Some hon. Members: Order.

Mr. Fulton: —their continuation in employment and their pension rights?

Mr. Speaker: Could that question not appear on the order paper?

Mr. Fulton: There are a number of employees and others in the province who are interested in this matter. Negotiations have been under way for some time—

Mr. Howe: The question can wait till Wednesday.

Mr. Fulton: —and I think it is a matter of sufficient importance and urgency to those concerned. I believe the minister may be ready to answer. I telephoned his office this morning and told him I was going to make the inquiry.

Mr. Speaker: Under the circumstances, if the Minister of Transport would like to answer the question now—

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, I have the answer. The hon. gentleman did advise me he was going to ask the question but I feel, as I am sure the house feels, that it is a matter for the order paper. I do not want to be unjust to my hon. friend. I can answer it if it is the wish of the house.

Mr. Speaker: Under the circumstances perhaps the minister might reply.

Mr. Chevrier: I think I should say in fairness that the Minister of Fisheries and the Solicitor General, both before their appointments and since, as well as the hon. members for Cariboo and Skeena, have shown a very keen interest in the question which my hon. friend has asked.

Mr. Fulton: Why were they objecting to having it answered?

Mr. Sinclair: We know the answer.

Mr. Chevrier: I gathered the house was objecting, but in any event the simple answer to my hon. friend's question is no. I should perhaps add that negotiations did take place and a substantial and complete report respecting government facilities has been made by Canadian National Telegraphs and the British Columbia Telephone Company, but it has not been possible to study the report. I have seen officers of both companies, and I do not believe it will be possible to begin negotiations until early next year.

NATIONAL DEFENCE

ADMINISTRATION AT PETAWAWA CAMP—INQUIRY AS TO REPORT

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): I wish to direct a question to the Acting Minister of National Defence. Is he in a position yet to inform us definitely when we may receive a copy of the report by Mr. Currie which was promised us last spring?

Hon. R. O. Campney (Acting Minister of National Defence): No, Mr. Speaker, I am not in a position to say because I have not received the report yet myself.

Mr. Drew: Will the acting minister take steps to find out from Mr. Currie when the report will be available?

Mr. Campney: From the remarks which the minister made in the house a few days ago I understood that Mr. Currie had indicated that the report would be forthcoming within a week or ten days. I presume that estimate was made with knowledge of what was possible on his part. I do not mind making inquiry if it is desired.

Mr. Drew: I would point out that the minister made a general statement—

Some hon. Members: Order.

Mr. Drew: —with regard to that before he made the statement in the house that he had not been in touch with Mr. Currie. It is for that reason I ask the direct question: Will the acting minister find out from Mr. Currie when the report will be ready?

Mr. Graydon: What is all the delay about anyway?

PROPOSED ARMY TRAINING AREA, N. B.

On the orders of the day:

Mr. D. A. Riley (Saint John-Albert): I should like to direct a question to the Acting Prime Minister. Has he at any time discussed with Mr. Donald Gordon, or any of the directors or officials of the Canadian National Railways, the location of the administration site or installations of the proposed army training area in New Brunswick?

Right Hon. C. D. Howe (Acting Prime Minister): The answer is no. I have not discussed that subject with Mr. Donald Gordon or with any director of the railway, and in fact have not seen any of them, for several months, except that I sat beside Mr. Gordon at a luncheon the other day, when we did not discuss that subject. I have no knowledge of the problem. It is a problem for the Department of National Defence. I have not discussed it with anyone and am not competent to do so.

Mr. Riley: I should like to direct the same question to the Minister of Transport.

Hon. Lionel Chevrier (Minister of Transport): I think I would have to make the same answer. I would say, however, that I have conversations with Mr. Donald Gordon from time to time but I have no recollection of having discussed that subject with him at any time, and in any event it is a matter for the Department of National Defence.

An hon. Member: Better try another minister.

REPORTS ON MORALE OF TROOPS IN EUROPE

Mr. P. E. Wright (Melfort): I should like to direct a question to the Solicitor General, the Acting Minister of National Defence. In view of the Canadian Press story in this morning's Montreal *Gazette* regarding low morale among our troops in Europe—

Mr. Speaker: Order. At the last sitting of the house I brought to the attention of hon. members that the proper procedure for them to follow, if they wished to bring a press dispatch to the attention of a minister, is to send it to the minister. I cannot allow the practice to continue of reading press dispatches.

Mr. Wright: I was not reading a press dispatch. I merely asked whether it had been brought to the minister's attention. Can the Acting Minister of National Defence inform the house whether or not he has received a report or reports from the clergymen of several Canadian denominations who visited our troops in Europe earlier this year, and will the minister table such reports?

Hon. R. O. Campney (Acting Minister of National Defence): I am not aware of any such reports having been received by the minister but I will make inquiry.

IMMIGRATION

REPORTED OFFERING OF IMMIGRANT'S CHILD FOR SALE

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to address a question to the Minister of Citizenship and Immigration. I understand he has investigated the case of the immigrant who offered to sell a child—

Mr. Speaker: Will the hon. member put his question?

Inquiries of the Ministry

Mr. Fraser: I should like to ask the minister what action the government is taking with respect to the immigrant who offered to sell a child for $1,000. I understand he has investigated.

Hon. W. E. Harris (Minister of Citizenship and Immigration): I am wholly uninformed as to what is in the hon. member's mind except that he may have read in the newspapers this morning that some magistrate in Sarnia was reported to have said in a speech that he knew of a case where an immigrant mother had been trying to dispose of her child by adoption for the sum of $1,000. My knowledge is only to the extent of reading the report this morning. If my hon. friend wants me to look into the matter and find out why the mother is doing it I suppose I can, but I fancy I would receive the answer that it was her business and not the government's.

Mr. Fraser: The reason I ask is that if it is true the immigrant should be deported.

CANADIAN BROADCASTING CORPORATION

BISHOP FULTON SHEEN—INQUIRY AS TO TELECASTING OF PROGRAM

On the orders of the day:

Mr. E. G. Hansell (Macleod): I should like to ask the Minister of National Revenue a question. I am sorry that I was not able to give him notice, and perhaps he would like to take it as notice. Has Bishop Fulton Sheen or have his sponsors applied to the Canadian Broadcasting Corporation to have their program telecast? If so, has the application been refused? Would the minister care to make a statement with respect to the application?

Hon. J. J. McCann (Minister of National Revenue): I shall take the hon. member's question as notice and answer tomorrow or the next day.

HOUSING

PURCHASING TERMS FOR WORKERS' HOMES

On the orders of the day:

Mr. J. W. Noseworthy (York South): I should like to direct a question to the Minister of Resources and Development. Has the minister or the government received any requests from workers' organizations to the effect that the government consider the feasibility of giving workers, such as those caught in a move like that of the Ford Company to Oakville, the opportunity of buying homes on the same terms as defence workers? If so, what consideration has the government given to these requests?

[Mr. Speaker.]

Mr. Speaker: The questions asked by the hon. member for York South (Mr. Noseworthy) and by the hon. member for Macleod (Mr. Hansell) should, I feel, appear on the order paper. Those hon. members might put their questions on the order paper.

OLD AGE PENSIONS

ISSUANCE OF CHEQUES PRIOR TO CHRISTMAS

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): May I direct a question to the parliamentary assistant to the Minister of National Health and Welfare (Mr. McCusker). Is it the intention of the department to issue the December cheques for old age pensions before Christmas, as was the practice formerly when these cheques were handled by the provinces?

Mr. E. A. McCusker (Parliamentary Assistant to the Minister of National Health and Welfare): I shall take the question as notice, Mr. Speaker.

NEWFOUNDLAND

INQUIRY AS TO VISIT BY SECRETARY OF STATE

On the orders of the day:

Mr. G. F. Higgins (St. John's East): I wish to direct a question to the Acting Prime Minister (Mr. Howe). Why is the Secretary of State (Mr. Bradley) in Newfoundland at the present time?

Right Hon. C. D. Howe (Acting Prime Minister): I will be glad to refer that question to the Secretary of State when he returns and I have no doubt as to what his answer will be.

BUSINESS OF THE HOUSE

CHRISTMAS ADJOURNMENT

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Public Works (Mr. Fournier) as house leader. Will the minister indicate the date on which it is proposed that the house will adjourn—in view of the necessity of making reservations with the Christmas holidays coming on?

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, I would be ready to do that if I knew on what date we could dispose of the debate on the address. It is the intention of the government to proceed with this debate to its conclusion. We do not think it would be reasonable to postpone the debate until after the recess. With some co-operation from all members of the house I will in the near future give an answer as to the date.

Mr. Drew: Mr. Speaker, I would point out that Christmas is not a variable date and this debate cannot adjust itself to that time. It is perfectly certain that members from some distance, who expect to be with their families, are going to leave here by the twentieth, and it might just as well be decided now that this house will adjourn on the twentieth.

Mr. Fournier (Hull): Last year during the session Christmas was on the twenty-fifth of December.

Some hon. Members: Hear, hear.

Mr. Fournier (Hull): We remained here until New Year's eve.

Mr. Drew: Mr. Speaker, so that there may be no misunderstanding, this is a perfectly normal procedure that we are now contemplating. At that time last year we were taking steps to try to prevent the government from ramming through some very objectionable legislation.

Mr. Coldwell: May I ask the minister a supplementary question? Did his first answer imply that, should the debate conclude tomorrow, the house would then adjourn?

Mr. Fournier (Hull): I would not go that far, Mr. Speaker, because we have about two pages of legislation that we are ready to proceed with.

PARLIAMENT BUILDINGS

DECORATION OF OPPOSITION CAUCUS ROOM

On the orders of the day:

Mr. J. H. Ferguson (Simcoe North): Mr. Speaker, I would like to address a question to the Minister of Public Works (Mr. Fournier). Was it in his mind, when he renovated the caucus room of the opposition, that after the next election there would be a few of the present government occupying that particular room?

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Friday, December 5, consideration of the motion of Mr. J. L. Deslieres 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.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I welcome this opportunity, an opportunity which I have not had before in this session, of intervening in the debate to make a statement that will be as brief as I can make it, although I am going to try to cover a good deal of ground, more particularly on the work of the United Nations assembly which I have just left and to which I am returning. Also, if there is time, I will speak on one or two other questions of international interest.

Mr. Speaker, I have been attending the seventh assembly of the United Nations and though while doing so I have been engaged in international discussions, I have been conscious of the fact during those discussions that there is a very direct connection between what we have been talking about in New York at the United Nations and matters of more immediate domestic concern and, possibly, which have been under discussion in this house. We have been discussing international questions which bear on peace, welfare and good relations between states; mutual aid between states; and all those questions have a very direct effect on domestic policies and domestic interests in this country —even on such matters as trade and taxation. Indeed, Mr. Speaker, it has been said that foreign policy is merely domestic policy with its hat on.

This afternoon, therefore, I propose to keep that hat on and discuss for a short time, I hope, the work of the United Nations assembly, and, possibly, the forthcoming NATO council meeting in Paris.

I should say in the beginning that this parliament is, I think, well represented at what is turning out to be a very important assembly indeed. It is one which may well represent a critical turning point in the fortunes of the United Nations. In our delegation which is working in New York—and I think it is accurate to say it is working hard—all parties in this house are represented and are working together. They are working in different ways, of course, but they are working together as, if I may say so, a Canadian team. It is true that members of the delegation who represent the party in charge of government have a special responsibility. Other members who represent other parties have their own responsibilities of opposition. Nevertheless that has never prevented them from working together in a friendly and useful way in New York.

The main question before the United Nations assembly, the main challenge to the United Nations at this session, has been Korea. Almost at the beginning of our session it was agreed, and I think it was agreed unanimously if I recollect correctly, that that question should be given priority in our discussions. It was quite right that we should do that because fighting is going

on in Korea and surely it is the first responsibility of the United Nations to bring that fighting to an end if that can be done on honourable and acceptable terms. In the discussion of this question of Korea much of the debate and much of our thoughts centred around the one remaining obstacle to the achievement of such an honourable armistice in Korea—the question of prisoners of war.

In the discussion of that particular question the communist delegations have exploited to the full the situation which they claim, without adequate evidence to back it up, has existed in the prisoner of war camps and more particularly the Koje island camp. I was interested, Mr. Speaker, in reading the debates of this house, to learn that at least one member, the hon. member for Nanaimo (Mr. Pearkes), displayed particular interest in what had gone on in that camp and the relationship of that issue to the retirement of an officer of the Canadian army. By way of interpolation, and to dispel any remaining suspicion which may linger in his mind in regard to the relationship of myself and my department to that matter, I would merely say at this time—to clear the matter up, and I hope that it will as far as the Department of External Affairs is concerned—that neither I nor my department made any representations, oral or written, formal or informal, to the Department of National Defence about Brigadier Connelly and the Koje incident at any time. Neither I nor my department have had anything whatever to do with his retirement. That, Mr. Speaker, is by way of an aside which I consider in the circumstances to be necessary, as I did not have the privilege of attending the session of the house when this matter came up.

This question of prisoners of war, we are told even by the communists, is the only obstacle to the completion of armistice negotiations. It is the only question that remains unsettled. In respect of it and of Korea generally—and some hon. members in this house who have been in New York will particularly be aware of this—there were four resolutions submitted to our assembly which dealt with this question.

One was a resolution of those members of the United Nations who had forces in Korea, participating in operations there. That resolution became known as the 21-power resolution. Canada was one of the sponsoring members of that resolution which endorsed the steps that had been taken and the effort that had been made by the unified command in Korea and the other side for an armistice, and called on the other side to accept those proposals and to bring about an armistice.

There were two other resolutions from delegations from Mexico and Peru which dealt with more specialized aspects of the question; and there was at the same time introduced by the Soviet delegation a resolution which would have set up an 11-power commission representing both sides of the conflict, and which would have had authority to deal not only with the prisoners of war question but with Korea generally and indeed with other Asiatic questions. On the face of it, that resolution by the Soviet delegation may have seemed to be not without some aspects of reason and possibility. The 11-power commission had four communist members but, in order to make quite certain that this 11-power commission would not be able to act, the Soviet, within a day of the introduction of this resolution, introduced an amendment to make it quite clear that that commission could act only by a two-thirds majority. A two-thirds majority of eleven is seven and a quarter; that would have meant that eight members of the commission would have been required to agree in order to reach a decision. The meaning of that provision, of course, is quite obvious. It would have given the Soviet and their satellites a veto on all the actions and all the activities of the commission.

After the introduction of these four resolutions the Indian delegation, after consultation with a good many Asian and Arab delegations—and indeed other delegations—introduced a resolution which narrowed the issue before the assembly and before the political committee to the prisoners of war question alone and left out of the resolution all that had gone on before and other aspects of the questions than that of prisoners of war. They produced a proposal which attempted to reconcile the two ideas, the one to which our side clung as right and just and the other which the communists said was a *sine qua non* of any agreement on their part to a prisoners of war solution. Those two ideas were, on the one hand, the right to repatriation guaranteed under the Geneva convention of 1949, and on the other the refusal to use force to drive prisoners of war back to communist territories if they did not wish to go.

As to the first, although we had a great deal of discussion on the subject, I think it is quite clear, from the legal point of view, that the right of repatriation is guaranteed under the Geneva convention in question. The right is clear, I think, and the right is unambiguous. It seems that the delegations which made that prisoners of war convention—that is the Red Cross convention in Geneva in 1949—were at that time, quite naturally, thinking more of a future war when the problem would be forced retention rather

than forced repatriation. The question of forced repatriation did not enter into their calculations at that time to any noticeable extent. So this right of repatriation, without that particular qualification in its terms, does exist.

Mr. Graydon: That is the right of the prisoner?

Mr. Pearson: The right of the prisoner; the right of repatriation.

Mr. Graydon: That is the right of the prisoner to repatriation?

Mr. Pearson: Freedom of the prisoner and the right of the prisoner to be repatriated and go back home; the right of the individual prisoner to be repatriated.

On the other hand the other issue—no force to be used in connection with prisoners of war—involves a principle which we on our side could not and would not give up; because if we had done so, we would have violated the understanding we had and the undertaking which we gave to some of these prisoners who came over from the other side.

The Indian resolution was an effort to reconcile these two points of view in a way which should have been acceptable to all men of good will on either side. It did that in terms of the resolution; and to carry out those terms and make this reconciliation effective in practice as well as in principle, it set up a repatriation commission to which prisoners would be immediately released as the first stage of their repatriation. That repatriation commission, which would have taken over the prisoners from the detaining powers, would have consisted of Czechoslovakia and Poland, two communist states; Sweden and Switzerland, two non-communist states; and provision was made for the appointment of an umpire who will be an important member of that commission if it is ever set up. If that kind of commission could not be established, an alternative procedure for setting one up is embodied in the resolution.

We considered this resolution to be, on the part of the Indian delegation, an important and constructive move to solve this question. It was not a perfect resolution; it was not clear in all of its terms, and there were reasons for some of those ambiguities. But we felt that it was a resolution which could work and which, if it did work, would bring the fighting in Korea to an end; so we in the Canadian delegation gave it our support from the beginning.

We were then confronted by two problems. One was whether we should give this resolution priority over our own 21-power resolution, and we agreed to do that as did all the other sponsoring powers of the 21-power resolution. The other problem was to achieve the maximum support possible for this Indian resolution. To do that certain clarifications —certain changes, if you like—were required. These in their turn required long and difficult discussions and negotiations between the authors of the resolution and certain other governments who wished to see it clarified in certain respects.

At this stage, Mr. Speaker, if I may, I should like to pay a tribute to the honesty of purpose, the industry and the refusal to give way to discouragement of the Indian authors of this resolution who, at this time, and at the United Nations, took a responsibility which I think we must all applaud. In the press, of course, there were reports of differences. In the process of negotiating clarification between the United States delegation and between other delegations there were such differences, but they were not as fundamental or as important as might appear from reading some of the reports. There were, however, sincere differences of approach and differences of opinion about what should be clarified in this resolution in order to make it acceptable to everybody.

Eventually, those differences were overcome. Some changes were made by the Indian delegation which made the text perfectly acceptable to practically all delegations at the assembly. That process of acceptance and that process of coming together was made less difficult, I think, by the Soviet attitude toward the resolution, which was one of complete, unalterable and violent opposition to a constructive initiative by the nation putting it forward; indeed it was referred to by the leader of the Soviet delegation himself as a "rotten compromise". Their opposition was based on the fact that we should first have an automatic cease-fire declared and then armistice negotiations later. The objection to that, of course, was that, if the cease-fire took place and it was without an armistice, the prisoners would still be prisoners, the issues which centred around the prisoners of war would not be solved, and there was no assurance that they would be solved.

Meanwhile, from the point of view of military security, the cease-fire would have meant that one side was under a military disadvantage in comparison with the other side which had its base close at hand.

However, as I said, the Indian text was clarified; it was put to the vote a few days ago, with a result which is not usual these

days in the United Nations assembly. Fifty-four nations of the assembly voted for it, including every Asian, Arab, Latin-American and African state, and only five members of the assembly voted against it: the Soviet delegation and its four communist satellites. One delegation, China, abstained. Therefore that Indian resolution has now become a resolution of the United Nations; and in my capacity as president of the assembly, under the terms of the resolution, I have submitted it to the foreign minister of the communist government at Peking, and the foreign minister of the North Korean regime, together with a covering letter in which I attempted to meet some of the objections which they had previously put forward over the radio, and in other ways, and to clarify some of the points which they claimed were still doubtful. At the same time I thought it was probably not inappropriate, as president of the assembly, to make an appeal to them to accept these proposals as the basis of an armistice and eventual peace, if they really wish to bring the war there to an end.

I do not know, of course, what the result of this transmission and appeal will be. It may mean an armistice, or it may not. I would not like to give odds on one side of the question; but whether the communists accept this United Nations resolution or not, it surely has very great value to the United Nations and to us all even if it is turned down, because that resolution now becomes the United Nations' basis from which negotiations must now begin, if they are to be resumed. And in the future that may turn out to be a very important and very useful development because, of course, this resolution, having been accepted by the United States government, now becomes operative in respect of the unified command in Korea. And I suggest, Mr. Speaker, that whatever may happen to this resolution in Peking and Pyongyang, it has been a very worth-while initiative to have taken, and a very valuable result has been achieved, since this initiative was taken by a great Asian country and supported enthusiastically by every other Asian, Arab and African state.

If this resolution is rejected, what do we do then? Well, of course there are at least three courses: The United Nations can preserve and hold on in Korea along the present line, bringing about as much military success as is possible within the limits of the present strategy. It may be possible within those limits—consideration by the military authorities in the unified command is being given to this—to add to the number of Koreans who are defending their own country. But in respect of that it should not be forgotten

—indeed it was mentioned in this house the other day by the hon. member for Winnipeg South Centre (Mr. Churchill)—that at the present time a 155-mile line in Korea is being defended by 15 divisions, of which I think 9 are from the Republic of Korea, 5 from the United States and 1 division is from the commonwealth. Of this line, 60 per cent is being held now by Korean troops; 25 per cent by United States troops, and 15 per cent by other United Nations' forces. This course, following our present strategy, will require of course a steadiness and patience not only in Korea, among the soldiers, but at home; it will require military steadiness, and it will certainly require political steadiness.

The second course would be to increase military pressure, to formulate new strategy in the hope that by doing so we will bring this struggle to an end by military means. There are obvious risks in following that course. There is the risk that we might extend the war to the continent of Asia without ending the war in Korea, and that is a risk which is in all our minds, and which indeed we have discussed in this house before.

But there is a third course, to withdraw and turn Korea over to the aggressor, and that is one that will not be supported I am sure by any government, any parliament or any people, which have accepted United Nations' intervention in Korea against the attacker

It is interesting, Mr. Speaker, to recall that the president-elect of the United States—with whom I had the pleasure of renewing acquaintance the other day in New York—has returned from Korea and has already stated that there is no easy, no trick solution, no panacea for this Korean campaign, and he is quoted in the press as having said in Seoul during his visit to Korea:

> How difficult it seems to be in a war of this kind to work out a plan that would bring a positive and definite victory without possibly running grave risks of enlarging the war.

But while we may be discouraged about our lack of immediate progress in ending this campaign, with its great drain on resources and men of the United Nations, and particularly on those of the United States, and those from the Korean forces, which are bearing the brunt of the struggle and bearing it steadily and courageously, apart from that difficulty, we must not forget that we have gained also by intervention in Korea, because we have stopped aggression there, and the lesson of that action is not lost on those who would begin aggression elsewhere. I suggest, Mr. Speaker, that it is not only the course of honour, it is the course of ultimate safety not to weaken in this United Nations' operation which we have

taken in Korea, while always emphasizing, taking advantage of every opportunity to emphasize, that we are ready for an honourable political solution with the Chinese communist government.

The Indian resolution—indeed my letter to the foreign minister of communist China—emphasized that fact, that once an armistice can be achieved in Korea—and there is supposed to be only one obstacle to that achievement—then we should be ready to sit down with the Chinese at a political conference to deal with Korean political problems generally. It is not only implicit, it is actually written in the terms of this United Nations' resolution.

If the Chinese communist government will abandon the aggression that has been going on in Korea and refrain from participating in aggression elsewhere they have nothing to fear from us on the other side, and much indeed to gain by that course.

That, Mr. Speaker, is all that I think I need to say on Korea at this time. But in concentrating on Korea I would not wish the house to be left with the impression—as I am sure it would not be, because of its knowledge of international developments—that Korea is the only danger spot in Asia. One has only to mention Indo-China, where the situation is not propitious; Malaya, where the banditry and the fighting still goes on, though the situation is improving; Iran, where there are elements of discontent which might deteriorate into chaos, and we know who exploits chaos; and indeed in the whole of the Middle East, where there is division, disruption, social unrest and political awakening.

There were of course other important questions before the United Nations assembly, and some of them are still before the assembly. I heard the other day, at a plenary session of the assembly, the leader of one of the important Asian delegations speaking in connection with a resolution which has been supported by all the Arab and all the African, but opposed by a good many of the western powers—I heard this delegate, who is not unfriendly to the West, in deploring this division on resolutions of that kind, say that Asia and Africa are on the march, and will not be denied.

We should realize, and the realization is not always a pleasant one, that they are not invariably marching with the West as they move. That philosopher and historian, Arnold Toynbee, in a very interesting article which appeared the other day under the significant title "The World and The West" gives three explanations for this discouraging development, why Asia and the Asians do not always seem to be with us on issues that we think are fundamental to the development of freedom and democracy in their own part of the world.

These three reasons lie, he said, in the appeal that communist doctrine inevitably makes to the people in those countries of the world. It is a threefold Russian communist appeal, and it is not always easy to resist. Certainly it is not easy to resist at the United Nations, and the Russians there know how to exploit this appeal to a maximum value.

The first appeal they make to the Asian is: If you follow the Russian example, communism will give you strength to stand up against the West, as communist Russia does today. To some Asians the West does not mean what we know it should mean—freedom and democracy—and that is an appeal which makes its impression on certain Asian minds.

The second appeal is to the Asian peasantry, and that is that communism can and private enterprise neither can nor, if it could, would, get rid of the extreme inequality between the rich luxury-loving minority and the poverty-stricken majority.

Then the third appeal from the communists, about which we hear so much in the United Nations and elsewhere—and it is offered most confidently and dogmatically—is an appeal for a unity in policy and in doctrine which, in some form or another, is the only alternative to self-destruction in the atomic age. We know it is a spurious and fatal unity; but our knowledge is not shared by all the peoples of Asia to whom it is addressed.

Now, the danger of this kind of appeal is being shown today, and the effect that it is having today is being shown in the other great and difficult complex of problems which are before the United Nations assembly. That complex of connected problems involves the relationship of colonial peoples to administering states, and expresses itself in charges of racial discrimination, in tensions between the haves and the have-nots, and in the responsibility of the former for technical and other kinds of help for the latter; it also expresses itself in worries on the part of the haves that the have-not blocs are pushing extreme and premature resolutions through the United Nations by force of a mathematical majority.

These problems appear in various items of our United Nations agenda today, some of which have not yet come up for discussion. In considering them it is depressing to realize

that Asian and Arab states are nearly always together and not always on our side. On our side sometimes we are restricted to some of the countries of the western world.

The United Nations assembly, with all its faults and with all its possibilities, has become the forum for the expression of these discontents, confusions and divisions, for the expression of these aspirations and, indeed, these fears. The problems which they involve and the solutions we find to these problems may in the long run have just as important a relationship to peace and, indeed, to the future of the United Nations as the question of Korea itself. We have to try to reconcile the domestic jurisdiction of sovereign states, and the administrative responsibility of some of those sovereign states over dependent peoples in their progress toward independence —with the legitimate interests of the United Nations in human rights and racial discrimination, and freedom for all peoples.

The United Nations is not having an easy time in this assembly in making this reconciliation. The United Nations is not there, I suggest—and its charter did not intend it—to make this progress, which we all agree is so essential, either explosive or violent; but it is there to make this progress steady and sure.

In a delegation like the Canadian delegation, as it confronts these fundamental long-range issues, decisions on individual resolutions are never easy, especially in respect of the disputes between colonial powers and members who have only recently evolved from colonial status, and others who have gone beyond the colonial status.

In those disputes many resolutions are put forward which do not provide an easy problem for a delegation such as the Canadian delegation.

I should like, if I may, for a moment or two, to try to explain some of these difficulties and the principles upon which in our delegation we have tried to act, principles which have been approved by our government.

In the United Nations charter the administering powers accepted as a binding international obligation a concept of progress toward self-government for all dependent peoples, which they had long recognized as a moral imperative. Their acceptance was completely voluntary. At the time of San Francisco there was no external power which could have forced the victor states to surrender the smallest portion of this aspect of their sovereignty. Their response was not due to outside pressure, but to their own consciences; and if world opinion played a part in their decision—and this it did—it was able to do so only because it reinforced those irresistible currents that were already at work within the democratic states.

That is the inevitable consequence of the acceptance of colonial responsibilities by a democratic state. Yet, can anyone believe that these same consequences would ever have been accepted by a totalitarian state? Would they have been accepted by totalitarian states which at the United Nations assembly attack, and very often viciously attack, what they call colonial powers?

Would India and Burma have won their freedom from a totalitarian system, with its slave labour camps and its secret police? Would world opinion have been of the slightest help to Indonesia if it had been in the grip of such masters?

For that matter, has dialectical materialism any way of explaining how such advances to freedom could possibly take place, not merely with the assent but with the positive co-operation of the administering powers?

We have watched the exponents of this totalitarian philosophy in the United Nations and elsewhere in their assiduous efforts to capture such noble words as freedom and democracy and put them to slave labour. We have seen them reduced at this session of the United Nations assembly to denying all evidence of colonial advancement in the face of the plain accomplished facts.

On their side, the administering powers have pledged themselves to work towards the progressive replacing of their own authority by that of the peoples hitherto subject to them. The charter accepts and establishes them as the instruments for achieving this end. In doing so it recognizes what is called colonialism as an integral aspect of the effort to establish peace and stability. But it gives no comfort to the illusion that the immediate and unconditional abandonment of the dependent territories would be a good thing for the international community.

The whole tenor of the United Nations charter assumes a balanced process of evolution. It lays commitments on the administering powers and it recognizes in every paragraph that the fulfilment of those commitments must be a gradual process whose rapidity will vary with each case. Colonialism, in short, is made the instrument of its own disappearance.

That is a responsibility whose formidable nature must surely be recognized and respected by those of us who do not share it. It is the task of fitting various societies, some of them primitive societies, to take place in this modern and highly integrated world. It is not enough to waken in these

societies a desire to run their own affairs; they must also be trained to the necessary level of ability, and if this essential process is interfered with or frustrated, or if on the other hand it is rushed too recklessly and precipitately, it will be to the detriment of the prosperity and security and future advancement of these colonial territories themselves.

While accepting these principles, Canadian decisions on specific colonial questions at the United Nations are based on our judgment of their merits, conditioned only by our sincere desire to help reach the maximum common agreement that is consistent with the welfare of the dependent peoples themselves and the interests of the international community.

I think this problem has come most concretely to our attention in connection with the South African items which are now on the agenda of the United Nations and which were dealt with last week. They are not in themselves colonial problems, but they represent a problem of the relationship of dependent people to a sovereign state and a sovereign government. They are problems of discrimination.

These South African items illustrate the difficulties of that problem and they also illustrate the danger of friendly nations dividing in their approach to it. Probably the best single example of this difficulty is the item on the agenda itself called "race conflict in South Africa" and the introduction under that item of a resolution by certain Asian states challenging the South African legislation, challenging South African policy and setting up an agency of the United Nations to intervene in this matter.

At the same time there have been introduced other resolutions on the same subject. South Africa's defence against these charges —this defence has been carried on lengthily, vigorously and skilfully by the South African representative at the United Nations—has been the legal defence that the assembly is simply not competent even to consider these matters under article 2, paragraph 7, of the charter which reserves domestic jurisdiction to the states themselves.

On the other hand, members on the other side of the argument pointed to articles of the charter which pledged its members to co-operate for the achievement of universal respect for and observance of human rights and fundamental freedoms without distinction as to race. Members on the other side of this argument, that is the other side from the South African side, have attempted to show that this kind of legislation, this kind of policy in South Africa is itself a threat to international peace by what it is stirring up in the minds of the coloured people on that continent.

As far as the decisions of the Canadian delegation were concerned—I gather that these decisions have caused some comment in this country—we joined the majority of the assembly in voting against South Africa's contention that under the charter the United Nations was not competent even to consider these matters. In voting in that way we drew a distinction between consideration in the form of discussion and consideration in the form of intervention.

We felt, and I think it is becoming the established jurisprudence and established doctrine of the United Nations, that the assembly is now competent to discuss anything as the town meeting of the world, but that that does not mean that the assembly is competent to interfere in the domestic affairs of member states by certain types of resolutions or by setting up committees and commissions to visit those countries and report and possibly take action at succeeding assemblies. It was in the light of those considerations that we made our decision in respect to this particular resolution.

We voted for a resolution inspired by the Scandinavian states and supported by I think 18 delegations which, while not singling out South Africa in terms, while not setting up any machinery to go to South Africa, and while not calling on South Africa to rescind any item of domestic legislation, called upon South Africa and all other member states to bring their policies into conformity with their obligation under the charter to co-operate for the achievement of and universal respect of human rights and fundamental freedoms.

It has been said that in voting for this and abstaining from voting on other resolutions we were avoiding our responsibilities. As the head of our delegation the Minister of National Health and Welfare (Mr. Martin) said:

> The Scandinavian resolution is not just a means of dodging the issue, but rather of dodging a reaction which will be harmful to the people who would like to help.

As far as the Asian resolution was concerned, we abstained on that because we thought it was of doubtful legality. For the same reason we also abstained on the South African resolution which said that this particular Asian resolution was ultra vires. In the committee considering this matter 21 other delegations joined us in abstention on this issue. In the plenary session, which was held last Friday, most of these delegations switched their vote from abstention to voting against the Asian contention and in favour of the South African contention that a

particular clause of this resolution was ultra vires. We did not switch; we remained and abstained on that issue.

However, abstention on this particular issue, which was caused by doubt in our minds as to the legality of this action and as to the practical effect the action would have, did not mean on our part any judgment one way or the other on the issue of the question. As the Minister of National Health and Welfare pointed out when he spoke on this measure:

> Our friendship for the South African people is deep and abiding. We in Canada recognize the immensity of the racial problem—which is not only a South African problem, but we are also very acutely conscious of the concern of the Canadian people and of people throughout the world on questions involving racial discrimination. Discriminatory policies of any kind anywhere are contrary to the spirit both of the charter and of our times. We do not believe that in the long run history offers much hope that such policies can accomplish their purpose or can endure.

There are other questions of this kind which are before the assembly but which have not yet come up for decision and I think it would be inappropriate for me to speak of them at this time. In concluding my observations on the United Nations and on the assembly I should like to make one or two general remarks. The United Nations Organization—and this assembly certainly shows it—is in a very difficult stage of its development. It is having troubles and new obstacles to overcome. It is having its discouragements and its defeats, but those of us who are inclined to criticize it too prematurely, too rashly or too strongly should realize, I think, that the United Nations is not either a court or a superstate. If I may put it this way, it is only a mirror which reflects the picture of what is going on in the world today, and if the picture is unpleasant, and indeed at times terrifying, that is not the fault of the mirror if the reflection is an honest one. It is the fault of those who belong to the United Nations and who, by their policies, do not make it possible for that organization to work as it was intended it should work by those who drew up the charter at San Francisco.

Above all, it is the fault of this division of the world into two camps, which is reflected in the cold war. Practically every item that comes before any United Nations body now, including the general assembly, is interpreted in terms of the cold war, even the most minute and technical item. That indeed is a tragic development and one which we could hardly have foreseen when the charter was drawn up. When you are confronted at New York now with a resolution, a proposal or a statement, the first reaction of most people is not "what does it say" but "who said it" or "who wrote it"? That in itself gives a fairly discouraging picture of our chances of making constructive progress in these major political issues as long as this tragic division continues.

These difficulties are increased, I think, by the uneasiness and low morale in the secretariat of the United Nations which is the agent for conducting the day to day business of the organization. It is a fact that in some minds and because of certain developments the international character of the secretariat, which we so rightly stressed at San Francisco, may be lost and that members of the secretariat will merely become the nominees of their respective governments owing loyalty not primarily to the international organization, which should be the case, but to these governments.

Yet with all these difficulties, difficulties outside the United Nations and difficulties inside the United Nations, I suggest that this is no time to weaken in our support for, let alone abandon support for, this indispensable piece of international machinery merely because it has falsified some of the illusions that we may have had when the charter was drafted. After all, we do not throw away a car because the wrong kind of gas stalls it.

Having painted a rather gloomy picture of some aspects of the work of the assembly, I think it is only fair I should add that real achievements are being made in the seventh assembly, and that in one sense it is a tribute to the United Nations itself and to the importance of the assembly that these controversial political issues are being discussed there and that the big powers take this agency so seriously as to discuss them in the terms that they do. It would indeed be the end of all hope for the United Nations if it became a body merely for the exchange of meaningless courtesies. Furthermore, headline controversies should not lead to ignoring the solid achievements made by the United Nations in the social, humanitarian and economic fields. Progress is being made along those lines in this seventh session but the progress is not such as to command very much attention.

I should like to say a few words now on another but not unrelated subject, the North Atlantic Treaty Organization, the ministerial council of which meets in Paris a week from today. In NATO we have continued to make progress since the last report I made to the house on this matter. The accession to membership of Greece and Turkey, with their considerable national forces, has added to the strength of the organization particularly

on the southeastern flank. A NATO command on the Atlantic has been established with headquarters at Norfolk, Virginia. General Ridgway's forces in Europe have been increasing in numbers and improving in effectiveness from the point of view of defence installations, particularly airfields, and through training exercises. I had the privilege of attending one of the latter last September, and it showed how much experience in co-operation between national forces has been gained in the relatively short time that these operations have been conducted.

There have been comments in the press from time to time that the NATO program for 1952, agreed upon at Lisbon last February and so strongly criticized in certain quarters, will not be 100 per cent completed by the end of this year. This will, I suppose, turn out to be the case though we do not yet know exactly what the total NATO forces available by the end of this year will be. Yet on the information that has been made available to me I am quite confident now that the so-called "Lisbon goals" for 1952—this will surprise many who thought these goals were unattainable and that the very effort to reach them would result in economic chaos—will be in very large measure achieved. I do not think I should say anything more on this subject until after the council meeting.

In any event, I do not think we should lay too great emphasis on mathematical targets for any given date for forces under arms, provided we are making steady progress towards our goals and are not at any time dangerously short of what has been planned for a particular period.

In one important respect, which is sometimes overlooked, the NATO countries certainly are much stronger. Production lines for military equipment are now rolling in North America and in the United Kingdom, and very considerable progress has been made in this field in western Europe. The equipment position of NATO forces is steadily and encouragingly improving.

If there are some signs of lessening international tension—and there are—this is because of the growing strength and continuing unity of the North Atlantic alliance. But there is certainly nothing to warrant resting on our oars because of that fact, though, as we settle down to the long pull—I believe this is good rowing technique—we may decide to strike a somewhat slower rate. There is certainly no evidence that the Russian military strength has been reduced. There is evidence that an increasing proportion of their military budget is being spent in developing and producing new equipment to strengthen their already huge forces. They are certainly preparing for the long pull, confident that they can outlast the west and, if necessary, wait for the "inherent and inevitable contradictions and conflicts of capitalist society" to divide, weaken and ultimately destroy us.

In this long pull we must not ignore of course—and we do not—the effects of rearmament on the economies of member nations. The national economy of nearly every European member of NATO has been a tender plant since the war, and in the case of European members particularly rearmament has meant continued sacrifices for their peoples. However urgent rearmament is, it has to proceed in accordance with the economic and political capabilities of the member states. Otherwise we would invite those economic and social conditions within member nations which would create a favourable climate for the growth of communism in our society.

It was to avoid this sort of danger that the council of NATO, as hon. members know, established at its Ottawa meeting over a year ago a temporary committee to review military requirements and national programs in the light of the economic, social and political capabilities of member nations. A similar review for the current year is now under way and will be shortly completed; but that review has been conducted in a different fashion. I think this is of some interest in the light of the fears that were expressed here at the time of the last meeting—that NATO might fall completely under the military. The council of NATO, which has established its position, is the directing and controlling body of NATO and is now in permanent session. That council, through its secretariat, is conducting these annual studies and will control the decisions which will be made and passed on to various governments and parliaments arising out of the studies. When this review is concluded, and it should be concluded shortly, NATO members will no doubt have further guidance on NATO requirements and on their national programs. These, while agreed plans, must be flexible and constantly reviewed in the light of changing circumstances and requirements.

Mr. Speaker, with respect to military security and national security, it is certain that we have not yet achieved it. Although we have made real progress there is still a long way to go in making NATO a defensive bulwark against aggression and as one element in that security. The risk of aggression remains and our recent gains in defensive strength must be consolidated

and extended, and our co-operation strengthened and enlarged before we can feel safe. So, I suggest, we must press ahead in our own country, and in other countries of NATO, not merely with strengthening the military side of the alliance but also with building its political, economic and moral strength as well, where progress is sometimes difficult and discouragingly slow.

We have no reason to assume on our part that there has been any change of policy or of heart on the part of the Kremlin and its satellites in recent months since Stalin has laid down the new party line—characteristically enough in an article in a magazine. It is possible, however, that there has been a switch in tactics in Moscow, as has frequently happened before in the history of communist imperialism. During the immediate post-war period its aim in the west was to extend political control over whatever areas its armies occupied, and to exploit the post-war instability in other countries of western Europe so as to bring into power governments which would be friendly and could ultimately be controlled by the Kremlin. But the governments and peoples of the democracies have awakened to the danger and, particularly through NATO, have begun to organize their defences against it. An immediate present aim of the Kremlin is clearly to stop this progress toward security and unification by dividing and wrecking the North Atlantic Treaty Organization, by exploiting distrust of the United States within and without that organization.

With this object in view communist imperialists have mounted an offensive of propaganda and subversion designed to weaken, confuse, and discourage the democracies. The main vehicle of this offensive, that is up to the present although there have been some signs that it has been reduced, is the so-called "peace campaign" in which not only the formal peace organization but all communist-front organizations are actively working. Meanwhile, much emphasis is being placed on the possibility of peaceful co-existence between the communist world and the democratic world which only the warmongering policies of the United States prevent—so goes the line, and some misunderstanding is being caused by it.

The ideal of "peaceful co-existence", in which indeed every man of good will must believe, presupposes an absence of aggressive intention. The communist imperialists have not produced any evidence that their policies have in fact become compatible with their peaceful professions. They certainly have not produced any such evidence in the present assembly of the United Nations. A genuine policy of peaceful co-existence implies a readiness to co-operate for the purposes of peace and for the promotion of human welfare. Instead of a readiness to co-operate for these purposes, the communist imperialists resort to propaganda campaigns of hatred and falsehood. "Peaceful co-existence" in Soviet terminology seems indeed to mean simply all mischief short of war, just as Soviet policy seems to mean military aggression if necessary but not necessarily military aggression.

I have left out a good many of the subjects on which I had hoped to touch this afternoon but considerations of time and your patience prevent me from doing so. I hope to have another opportunity before this session has gone too far of making another statement on the final results of the United Nations assembly and, indeed, on the results of the NATO council meeting which takes place this month. What I have said, however, about our policies at the United Nations, and about the policies which we continue to pursue in the North Atlantic Treaty Organization, does, I hope, confirm what indeed probably does not need confirmation—that Canadian policy is directed solely toward bringing about in the United Nations and in NATO, and in any other organization devoted to peace, a peace which will be more than the kind of peace we have today. It is directed toward a peace which will mean more than merely the absence of fighting; and to the bringing about of a security that can ultimately be based upon something stronger and more permanent than force.

Mr. Graydon: May I ask the minister just one question. He is not here very much and I would like to ask him, if I may: Is Trygve Lie going to resign from the position of secretary general, and, if so, is there any speculation about his successor?

Mr. Pearson: To the first part of the question, there is an item on the agenda of the assembly which, I think, reads: appointment of a new secretary general. I think that may answer the first part of the question. To the second part, there has indeed been a great deal of speculation as to who might be his successor—much of it very academic and hypothetical.

Mr. Green: May I ask the minister if he would make a statement concerning the Pacific?

Mr. Pearson: I am sorry about that. It was one of the matters I had down on my list to talk about but I did not wish to appear to

underestimate the importance of the matter by saying just a few casual words on it. If the hon. member will wait until my next appearance I promise to devote to that very important subject both the time and the attention which it deserves.

Mr. Hansell: Might it not be to the advantage of all members if the minister would place on *Hansard,* perhaps as an appendix, the United Nations resolutions to which he has referred? We would then be better able to analyse the minister's speech and the situation that exists.

Mr. Pearson: If the house desires, that can be very easily done.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Knowles: If that is being done, would the Secretary of State for External Affairs include copies of his letters to the foreign ministers of China and North Korea to which he referred?

Mr. Pearson: Yes.

Some hon. Members: Agreed.

(For text of above, see Appendix to Hansard for Tuesday, December 9, pages 500-506.)

Mr. W. J. Browne (St. John's West): Although I have the great honour of following the Secretary of State for External Affairs (Mr. Pearson) I am sure no one will expect from me any comment upon the interesting report which he has brought to us from the United Nations in New York. I think, however, that I am safe in saying, and that I am expressing the opinion of all members of the house, that we are grateful to him for giving us a good idea of what has been going on down there and some of the difficulties with which the United Nations Organization is confronted.

(Translation):

Mr. Speaker, I take pleasure in congratulating the hon. member for Brome-Missisquoi (Mr. Deslieres) on his maiden speech in the house. I am sure that all members have found his speech very interesting and very intelligently prepared.

I wish also to convey my most respectful congratulations to His Eminence Cardinal Paul-Emile Leger, Archbishop of Montreal, on the occasion of his recent elevation to the Sacred College of Cardinals, by our holy father the Pope.

We are happy to have again two cardinals in Canada, and the honour of being the second youngest member of the Sacred College, which is enjoyed by our new cardinal, is shared by all French Canadians. I am sure that all Canadians unite in presenting to him their most respectful wishes.

(Text):

Mr. Speaker, I should like to congratulate the hon. member for Waterloo North (Mr. Schneider) on his maiden speech and to call attention to his hope that over the new sound system which has been installed—and for which we are all grateful to you, sir, and to the committee and the Minister of Public Works (Mr. Fournier)—we shall hear constructive and helpful criticism. I am afraid that it has not met with unanimous approval, because in a report of a speech made recently by a distinguished and venerable member of the press gallery we find he said that "we could hear better but did anyone notice that the speeches were any better?"

I have been reading in *Hansard* the speeches which have been made, because I have not been able to attend all the sittings of the house, and it seems to me that there have been many interesting speeches. I should like to congratulate my colleague the hon. member for Gloucester (Mr. Robichaud) on the magnificent speech he made here and also the hon. member for Victoria-Carleton (Mr. Montgomery) on his maiden speech. While congratulations are being given, I think something should be said about the wonderful speech made the other day by the hon. member for Edmonton West, the Minister of Mines and Technical Surveys (Mr. Prudham). If he had not said so, I would not have thought he had written that speech because it was given with such verve and seemed to be such a racy account of the Social Credit misfortunes and the misconduct of the government in Alberta.

An hon. Member: Misrepresentation.

Mr. Browne (St. John's West): I should also like to congratulate the new Solicitor General (Mr. Campney) and also the new Minister of Fisheries (Mr. Sinclair). The new Minister of Fisheries is, I am sure, the youngest member in the cabinet. He has the reputation of being able and energetic, and of saying what he thinks. I shall have something more to say concerning him when I come to speak of affairs in Newfoundland.

At this time I should like to express my gratitude and that of a small community in my riding in Newfoundland, namely the people of Colinet island, to the Minister of Transport (Mr. Chevrier) for having established there a system of radio communication. This island is situated about three miles from the nearest telephone but six miles from

the connecting road. This system of communication by radio which has been established has been a great boon to them. A number of other places in Newfoundland are to have the same facilities. I am sure all of them will be grateful for the work of the Minister of Transport in putting these radiotelephones there. Colinet island is an admirable community which has two settlements. Most of the men are fishermen. With the co-operation of the Minister of Public Works (Mr. Fournier) who is putting in wharves and making canals to shelter their boats, and with the system of communication that has been put in by the Minister of Transport they are very pleased.

I should also like to thank the Minister of Transport for his efforts in assisting the various organizations concerned in reducing the rates for long distance telephone calls between Newfoundland and the mainland. The other day he read for us the report which had been submitted to him as to the negotiations that had taken place between the six different organizations concerned. They were the two government agencies, the Canadian Overseas Telecommunication Corporation and the Canadian National Telegraphs; the Avalon Telephone Company in Newfoundland, the Maritime Telegraph and Telephone Company, the Bell Telephone Company and the New Brunswick Telephone Company. All these have met together and have brought into effect certain reductions.

I may say in the first place that a telephone call between Ottawa and St. John's, Newfoundland, or any part of Newfoundland cost $7.50 for three minutes and was regarded in the same way as an overseas telephone call. Newfoundland was looked upon almost as a foreign country and did not enjoy the same privileges as did people living on the mainland in other parts of Canada. The greatest reductions have been made in calls between Newfoundland and the maritimes. The minister announced that they will be on a mileage basis instead of a flat rate. Although roughly only 100 miles of water extends between Port aux Basques and North Sydney, the cost of a call between the two places was $7.20. It has now been reduced to $2.65. For a call between Newfoundland and the province of Quebec the cost is $4.50 and for one between Newfoundland and the provinces of Ontario and Manitoba, it is $6.

I drew the minister's attention immediately to the fact that in Canada and the United States there is a practice of having lower rates out of business hours; that is after six o'clock in the evening and on Sundays. This is reasonable because these are the times when social calls are made, when members of the family put in calls. There is a special rate from station to station. That is, if you wish to call your telephone number in Winnipeg or in Vancouver you get a special low rate if it does not matter who answers the phone; whereas if you are calling a particular person you have to pay on a person to person basis, which is the highest rate. Therefore there are four different rates in Canada. Of day rates there are two, namely person to person and station to station; and for nights and Sundays, there are two more, namely person to person and station to station. During the past week or so I have been able to make three calls to New York for less than the price of one call to Newfoundland, although the distance to New York is nearly 600 miles. The distance to Ottawa, of course, is much greater.

With regard to the objection which I raised, the minister said that the companies are going to look upon these rates as an experiment, that they will see how they get on and then will give consideration to introducing new rates. But I make this submission, Mr. Speaker. Why are we not entitled to better rates immediately? After three and a half years of confederation, what is the sense of Newfoundland being treated differently from the rest of Canada? Why should it not get those rates at the present time? Why should it not have had those rates from the beginning? I certainly submit that no prolonged period is necessary for experiment in order to see whether the present rates are satisfactory and acceptable.

I made out a little list showing the different distances, because the minister said that the rate between Newfoundland and the maritime provinces was going to be on a mileage basis instead of a flat rate cost of $7.20. For example, the price of a call now from Corner Brook to Moncton will be $2.65; from St. John's to Halifax it will be $3.20. I have worked out the distances. It is 572 miles from Corner Brook to Moncton. I should like to point out that you can speak to New York for 75 cents—that is the low rate—and that is for the same distance. St. John's to Montreal is 1,629 miles and the cost is $4.50. That is ·25 cents per mile. The old rate was $7.20. It is a 40 per cent reduction. I have here a little table, Mr. Speaker. If hon. members would permit me to do so I could put it on *Hansard* instead of reading it. However, from St. John's to Ottawa is 1,746 miles and a call now costs $6 or ·34 cents per mile. The old rate was $7.50. That is a reduction of 20 per cent. From St. John's to

Winnipeg is 2,988 miles, and it is the same rate as St. John's to Ottawa, although it is two-thirds farther. It costs ·20 cents a mile, the cheapest rate granted. The old rate was $9, therefore the reduction is 33 per cent.

I hold in my hand, Mr. Speaker, a comparison of the rates between Ottawa and various parts of Canada by telephone. Do you wish me to read these, or may I put them on *Hansard*?

Mr. Deputy Speaker: Is it agreed that the hon. member shall put them on *Hansard*?

Some hon. Members: Agreed.

Mr. Browne (St. John's West): The rates follow:

	Dist.	New Rate $	Rate per mi. ¢	Old Rate $	Per cent Reduction
Corner Brook to Moncton	572	2·65	·45	7·20	63
St. John's to Halifax	915	3·20	·34	7·20	55
St. John's to Montreal	1,629	4·50	·25	7·20	40
St. John's to Ottawa	1,746	6·00	·34	7·50	20
St. John's to Winnipeg	2,988	6·00	·20	9·00	33

	Dist.	Day Rate St. -St.	Day Rate Pers.-Pers.	Night Rate St. -St.	Night Rate Pers.-Pers.
Ottawa—Saint John, N.B.	600	1·70 (·28)	2·20 (·37)	1·00 (·16)	1·50 (·25)
Ottawa—Moncton		1·85	2·40	1·10	1·60
Ottawa—Charlottetown	795	2·35 (·30)	3·10 (·40)	1·35 (·17)	2·10 (·26)
Ottawa—Halifax	957	2·35 (·25)	3·10 (·30)	1·35 (·14)	2·10 (·22)
Ottawa—Winnipeg	1,242	3·00 (·25)	3·85 (·30)	1·80 (·15)	2·65 (·21)

A perusal of these rates will show that Newfoundland is not being fairly treated in this matter.

I said a moment ago that I intended to make some reference to the statements made by the Secretary of State for External Affairs in regard to Korea which, I am glad to see, has top priority at the United Nations. The speech from the throne has this to say about Korea:

> Nevertheless, because of the steadfast resistance of our Canadian forces and their comrades in arms to aggression in Korea and because of the increasing strength of the forces of freedom in Europe, there are signs of a lessening of the danger of an outbreak of war on a global scale.

It is certainly right that every tribute should be paid to our brave soldiers who are doing a grand job in Korea, but I think it was a good thing that someone should say something about the South Koreans themselves. The South Koreans have been recognized as very patriotic people. They are very anxious to take a larger part in the war, although at the present time they are carrying on the bulk of the fighting. This afternoon the Secretary of State for External Affairs said that they supply 60 per cent of the soldiers of nine divisions. They want to get better training. It seems to me very essential that the South Korean soldiers, who are just as good as any others when they are properly trained, should be armed and equipped so that less drain would be made upon the United States and the other countries of the United Nations who have sent forces to Korea.

I should like to draw the attention of hon. members to an article which appeared in the *Ensign* back in June, 1951, that has a bearing upon this suggestion. When we realize that practically no progress has been made since that time; when we realize from the report given by the Secretary of State for External Affairs today that no progress is being made at the present time, and no progress is expected to be made, because the Chinese reds are going to reject this appeal which he has sent to them; and when we realize, sir—at least many of us on this side of the house—that from the very beginning most of us were of the opinion that those negotiations were bound to end in this way, or to be carried on in this way, then I think it is important to see what a writer, Edgar Ansel Mowrer, said back as long ago as June, 1951:

> Asia can be saved from communism without a third world war. It can be saved by the immediate creation of local anti-communist forces roughly equal in strength to the local communist forces. Whether Americans side with General MacArthur or with the joint chiefs of staff, they can surely agree on one point: the weakness of the free world in Asia is that it is forced to use its chief armies—American, British and French against satellite Asiatics—North Koreans, Chinese, Indo-Chinese and Malayans, while the U.S.S.R. preserves its forces intact outside local wars.

Is that not what General Eisenhower is reported to have said the other day, when he said that we were using our best troops against a second team? This writer then laid down six conditions which he thought should be met if it was considered necessary to defeat communism in Asia, and I am sure we all agree to that. I was astonished that some of

the words used by the Secretary of State for External Affairs today were identical with words used in this article. His first condition is:

1. Hold on in Korea until the Chinese communists either surrender or until the French and Viet-Namese have smashed the communist rebels in Indo-China, the British have crushed them in Malaya and the Filipinos have eliminated them from their islands. These are not impossible.

2. Settle the Kashmir dispute on any reasonable basis, thus freeing Pakistan's great energy and influence for use elsewhere and giving Indian opponents of neutralism a chance to assert themselves.

3. Bring Burma, Siam and free Viet-Nam into a southeast Asian alliance to include India and Pakistan as soon as either is ready to join.

4. Extend the new Pacific pact between the United States, New Zealand and Australia to include the Philippines and a rearmed Japan. At the appropriate time, link it with the southeast Asian alliance.

5. Instead of recognizing red China, create all possible difficulties for that regime. This means supporting Chiang Kai-shek on Formosa and encouraging any other anti-communist forces that emerge.

6. Urge the Japanese, once they again become independent, to create a sizable military force as quickly as possible.

I believe that carrying out these six undertakings, or most of them, would save Asia—and that nothing less will.

Now, sir, for the remainder of my time I should like to devote some attention first of all to the amendment to the amendment introduced by the C.C.F., and lastly to the fisheries situation in Newfoundland. May I first of all deal with the amendment to the amendment which asks for the immediate introduction of national health insurance. It seems to me that the C.C.F. party is out to get this during this session for some reason or other. I notice from the reports that have been filed by the different provinces that Alberta, British Columbia and Saskatchewan seem to favour the idea, but the other provinces do not. Newfoundland is the only province which has not reported up to the present time, but my understanding of the situation there is that it would be chaotic to introduce national health insurance at the present time.

Hon. members from Alberta and Saskatchewan, the leader of the Social Credit party (Mr. Low), the leader of the C.C.F. party (Mr. Coldwell) all have spoken about the wonderful progress that has been made in their provinces. I think representatives from all provinces could give a similar story. I know that in Newfoundland, going back as far as 1934, we can tell a story of almost the elimination of tuberculosis as a major cause of death; the erection of 26 cottage hospitals, and the extension of hospital and medical facilities to at least 60 per cent of the people. But, although a great number of beds have been provided in the past ten years, they are certainly not yet sufficient to justify an all-out health insurance plan.

I think the matter was considered by the people of Ontario in the election last year. The leader of the Liberal party went to the country at that time with a national health insurance plan as his chief policy. The premier of Ontario said it would be a fraud upon the people to allow them to think that such a program could be put into force at that time. Neither could it. Therefore it seems to me that the suggestion made by the Leader of the Opposition (Mr. Drew) is the wisest course for this country to pursue.

Members of the Liberal party have suggested that we should have a committee of the house. That would not go far enough; for it is necessary to have concurrence between the governments of the different provinces and the principal municipalities that operate hospitals and have to do with health matters. Therefore it seems to me that until the C.C.F. party can show how it can be done, the best way would be to hold a conference between representatives of the dominion government, the provinces, the municipalities and the medical profession, as outlined by the Leader of the Opposition in his speech the other day.

I should like to refer to the fisheries situation at this time. I am glad the minister is present while I am making these remarks. I know he is interested. I know that already he has sent the deputy minister down to Newfoundland to look over the situation, and I suppose he has brought back a report.

Perhaps what I have to say is an analysis of what has been happening during the last few years, but I think it is just as well that we should have it in summary form. There has been in Newfoundland in the last ten or twelve years a distinct trend toward the development of fresh fish markets, especially in the United States. During the war we had a big fresh fish market in Great Britain, but that is now completely lost, so that we are dependent now upon the fresh fish market in the United States. Emphasis has been directed toward this by the government of Newfoundland, with the result that everyone is fresh-fish minded.

It seems to me, however, that a word of caution is necessary, because what the United States gives now the United States can take away by the stroke of a pen, by the alteration of the tariff. In that way the fresh fish market could be lost. We should know that in Gloucester there are fish interests deeply concerned with the entry of Canadian fish on the United States market, and at any time they may ask the United States

government to make it more difficult for Canadian and other foreign fish to enter that market.

There can be no doubt that the United States market has been beneficial to the fisheries of Newfoundland, generally speaking. However it has helped to bring about a decline in the salt codfish industry. The salt cod fisheries constitute an industry which has existed since the days of discovery by Cabot. He brought back his report stating that the waters around the new land, around Newfoundland, were teeming with cod. People from England, from Spain and from Portugal, as well as from France, visited there every year. They have been coming out from Spain, Portugal and France almost every year since that time, with the exception of the war years. All those people have been interested in the salt cod fisheries.

As Newfoundland developed, the salt cod fisheries became the staple industry. It can no longer be regarded as the principal industry of Newfoundland, however, because one brings to mind the great volume of paper produced, and the increasing wealth due to the discovery and operation of mines producing mineral ores. Nevertheless the salt codfish industry is regarded very highly, because so many people take part in the salt cod fisheries. These people have their homes situated around the numerous bays and inlets and harbours along the six thousand miles of coast line. They have little gardens and farms which, with the fisheries, give them a very comfortable living in most cases.

The cod fisheries declined for the following reasons, it seems to me. First of all there were the effects of the war. Many enlisted, left their homes and did not return. Then there has been the construction by the United States government as well as by the Canadian government of defence bases in Newfoundland. Especially since the war there has been a great expansion of United States forces there. All this has drawn thousands of people away from the fisheries. I was surprised recently to be in several fishing villages and find them eating fish bought in St. John's. There was not a boat on the beach, not a fisherman in the place. Then hundreds more are going to Seven Islands to work on the railway, and to do such other work as is necessary for the development of the iron ore deposits found along the border between Quebec and Labrador.

In addition there has been a program of government industrial spending. In my opinion the government of Newfoundland has very unwisely gone into the experiment of starting business enterprises, establishing a cement plant, gypsum plant, hardwood plant, machine plant and the like, the outcome of which to say the least is very problematical. Nevertheless it has drawn many people away from the fisheries. Indeed this was a deliberate policy intended to take people from the fisheries.

We remember, too, the low prices of 1950. In that year the prices of fish were the lowest they had been in ten years. Many were discouraged and did not return to the fisheries in 1951 or since. Then the government of Canada made the stipulation that it would not give any assistance, through the fisheries prices support board, to any fisherman who decided to go to Labrador and take part in the Labrador fisheries. If they did so it would be at their own risk.

Then there has been the loss of markets due to exchange. Brazil, a country in South America with a population of 53 million people, used to buy thousands of quintals of our fish, but has not been buying it recently. Spain has not been buying our fish, and this year we had to practically beg the Portuguese government to buy some of it. The situation is changed, and this has had a great effect upon our people. I think therefore the minister has a difficult task ahead of him. I have every sympathy for him, and I shall be glad to help in any way I can.

The government of Newfoundland, in conjunction with that of the dominion, has been making experiments in the manner of catching fish. I believe it was the provincial government that was responsible for the idea that people must get away from the slavery of producing salt codfish. "Slavery" was the word used by the premier of the province. I do not agree with him at all; I think it produces a most unwise psychological approach. However, four boats were brought from Iceland. The experiment cost $450,000. The Icelanders were going to show the Newfoundlanders how to catch fish. The boats are down at St. John's harbour now, and anyone who looks at them will say, "How did they happen to bring out these four tubs?"

That experiment failed. Then they introduced long liners. I believe the Secretary of State (Mr. Bradley) cherishes the idea that the long liners are going to be the solution of the difficulties of fishermen in Newfoundland. The federal and provincial governments have been experimenting with these long liners. I believe the provincial government has now abandoned the experiment and switched over to the Danish seine, so that the Danes can teach us how to fish. The federal government had the misfortune to have one of their long liner vessels blow up last year. There has not been sufficient data published to

enable us to judge the value of these experiments. I have no doubt that probably managed with a small crew, if the boat and the equipment do not cost too much, operations of that kind might prove profitable; but I cannot see how it could ever replace cod fishing operations with the use of traps, where in a month or two people can catch 800, 900 or 1,000 quintals of fish, a quintal being 112 pounds of dried fish.

In addition to this problem connected with experiments, within the next year or so the minister will have to face the problem of the marketing of codfish. The marketing of salt cod is always a difficult problem. In the old days, when we had free trade, it is notorious that merchants would undersell one another; and on one occasion at the close of the first world war there was chaos in the salt codfish industry because of this marketing difficulty.

In 1936, at the time of the commission of government, a fisheries board was set up. It was later on agreed that the merchants should have exclusive control of the marketing of salt codfish, and that this control would be under an organization known as the Newfoundland Associated Fish Exporters Limited. That body still has the right to export fish. It is composed entirely of merchants, and hon. members will have some idea as to the organization itself when I state that it costs $10,000 to join it. Only a wealthy merchant can belong to the organization.

Therefore eventually all fish must come to the members who export it. A 3 per cent charge is made, and put in the coffers of NAFEL. Whether those concerned make the distribution or not, I cannot say. When the deputy minister of fisheries, Mr. Bates, was in St. John's recently, he threw out a suggestion that he would like to know what the fishermen wanted. Do they want to continue this method of exporting their fish, or what do they want?

His invitation was taken up by the *Daily News*, and in an article on November 8 it said that there seemed to be only two alternatives to the association which exists at present. There would have to be either a fishermen's marketing co-operative or a board. It seems to me that the board they had in mind was something along the lines of the wheat board in western Canada. Because I was interested in the matter I took time to look up the constitution of the board which was organized under the act passed in 1935 by the Bennett government. I read it through and it seemed to me that the idea was sound, that if a board could handle the export of millions of bushels of wheat a similar board could handle the export of a million quintals of salt codfish from Newfoundland.

There is in Newfoundland at the present time another organization which has a great deal to say about fisheries matters, and I refer to the fishermen's federation. Some hon. members will remember that on February 6, 1951, I made a speech during the debate on the address in reply to the speech from the throne during which I discussed the fisheries of Newfoundland and recommended that the government should follow the example that was set in 1929 when a commission recommended the teaching of co-operative methods to the fishermen. I suggested that Dr. Coady should be sent to Newfoundland to establish a school for the training of fishermen in co-operative methods. The provincial government took up the idea, got Dr. Coady down there and subsidized the formation of the fishermen's federation which now has ten to fifteen thousand fishermen members all around Newfoundland. The majority of the men interested in the catching of salt codfish, and fresh fish as well, are members of this federation. According to an article in the *Daily News* of August 8, 1951, Mr. Lane, the secretary of the federation, indicated that the federation was opposed to the continuation of the NAFEL organization.

I notice that the Secretary of State (Mr. Bradley) was down there recently and said that this organization was there to stay. I did not read the full report of what he said, but I did read the comments made by the Minister of Fisheries (Mr. Sinclair) the other day in answer to the hon. member for St. John's East (Mr. Higgins). I believe the situation is still fluid and I hope the minister is giving consideration to what will be best for the fishermen. That is the criterion that should always be used in connection with the fisheries of Newfoundland: what is going to be best for the fishermen.

There are three things that can be done. The present association can be continued or fishermen's marketing co-operatives can be set up. I am sure the minister will realize that that involves a lot of teaching, as it would be an educational process. It is not something that can be done in a day. It will take some time to train these men in the principles of co-operation, although during the past twelve or fifteen years many of them have become familiar with co-operative methods in buying and in the operation of credit societies. They have not had a great deal of experience with co-operative marketing. The third thing would be to set up a board similar to the wheat board. Eventually the minister will have to decide which is

best. I do not know which would be the best at the present time. Under the terms of union the present fisheries board continues for five years after April 1, 1949, so it will cease operations on April 1, 1954 unless legislation is brought in to continue it.

There was one other criticism in the *Daily News* article to which I referred. They said that the deputy minister seemed to be overlooking the premier of the province, that he did not consult with the government but asked only for suggestions from the public and the press as to what future methods of marketing should be adopted in Newfoundland. As the federal government has the responsibility in regard to fisheries it seems to me there was nothing that should arouse great objection by anybody in his simply asking for suggestions.

I am not prepared at the present time to say which is the best, but I do feel that the criterion I mentioned before, that is, what is going to be for the best interests of the fishermen, should be followed. No doubt the minister since taking over his office has realized something of the difficulties that exist down there.

Before I conclude I should like to draw his attention to certain other features of the situation facing the fisheries in Newfoundland.

He knows that trawlers and bankers come out from Portugal, Spain and France every year in hundreds. Most of these are sailing vessels with diesel power and they carry from 50 to 75 dories, which means that there are 50 to 75 fishermen because one fisherman goes out in a dory. The speech from the throne forecasts that legislation is to be introduced in connection with these Portuguese and Spanish fishermen coming into Newfoundland ports for bait and supplies.

This practice was stopped on July 1 as far as the other maritime provinces are concerned, but because Newfoundland at the time of union had an agreement with these countries permitting these fishermen to come into Newfoundland ports, the practice was continued there. I do not know if it is the intention of the government to forbid these vessels coming into Newfoundland ports, but I urge the minister to give earnest consideration to the matter before he refuses them entrance.

These are very industrious people. They undergo great hardship. They are brave men fishing the hard way, and they cause no trouble in St. John's. Many of them are married men with families and they live in countries where the standard of living is much lower than ours. Therefore I suggest that consideration be given to the problem before a hard and fast rule is laid down that they be not allowed to come into Newfoundland ports to purchase bait and supplies as they have been doing for so many years.

The Portuguese government has taken a great interest in their fishermen to see that they have the latest boats and equipment. It looks after their welfare at home by providing houses, maternity benefits for wives and recreational benefits for the fishermen and their families. No one seems to be taking a similar interest in the fishermen of Newfoundland.

On previous occasions I have drawn attention to the benefits which are available to the farmers of western Canada, and other regions too, through farm improvement loans. The farmers of Newfoundland have received very little benefit from this legislation because for some reason or another they have not been able to get loans. The fishermen of Canada have no benefits under any comparable act. I believe the hon. member for Charlotte (Mr. Stuart) has a resolution on the order paper asking that the government give consideration to providing advantages for the fishermen similar to those being provided for our farmers.

Does it not seem strange that thousands of houses are going up in and around our cities at a cost of millions of dollars provided either by the government or government agencies, when nothing is being provided for the thousands and thousands of fishermen who live in small places, merely because they are not located on serviced land. It will be a thousand years before they will have serviced land in some of these small settlements. It is impossible. Yet does it not seem unfair that the privilege of being able to borrow a sum of money to improve their means of earning a livelihood or to improve their homes is denied them? It seems to me a sound proposition that a fisherman should be treated in such a manner as to enable him to obtain a loan of that kind. I know plenty of fishermen who, if they were given seven years to repay, would be very glad to get loans and improve their homes and their means of earning a livelihood.

Then there is the question of storm damage which was brought up in the house the other day, on which occasion the minister replied to a question by the hon. member for Burin-Burgeo (Mr. Carter). This fall I was a witness of the after-effects of a storm. I stood on the cliff at the little village of St. Michaels, Ferryland. I looked out at the rough seas and saw pieces of boats, pieces of stages and wharves floating around and the fishermen on the beach trying to salvage what

they could. Only a village or two were affected at that time. The other day there was another storm of greater proportions which caused greater damage. As the result the hon. member for Burin-Burgeo, whose district was more affected than that of anybody else, asked his question.

I understand the matter is under consideration by the government. The previous minister told us that he was considering a method of two-way insurance involving the federal and provincial governments, and perhaps the fishermen concerned as well, so that when damage of that kind was suffered the fishermen would be insured and would be able to rehabilitate themselves without delay. I do not know what is going to happen now, but I do know that whether a storm is nation-wide or only affects one or two villages it is most disastrous for the fishermen concerned.

Mr. Deputy Speaker: Order. I must inform the hon. member that his time has expired.

Mr. Browne (St. John's West): I only have one more point to make.

Mr. Deputy Speaker: With unanimous consent the hon. member may proceed, but I must tell him that his time expired three minutes ago.

Mr. Browne (St. John's West): It is only one point.

Mr. Deputy Speaker: The hon. member will understand it is not up to me to give him permission. He only has to stand up and ask for it.

Mr. Browne (St. John's West): I only wanted to compliment the minister.

Mr. Deputy Speaker: Has the hon. member unanimous consent to carry on?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The hon. member for St. John's West has obtained unanimous consent to carry on.

Mr. Browne (St. John's West): I wanted to make reference to a statement which I saw in a newspaper recently regarding bait depots. I did not hear any statement made in the house about the matter, but perhaps the minister intends to make one later. I brought the matter up on several occasions before and recommended to the previous minister that he should try to make bait depots available to as many fishermen as possible. It is not much good having a bait depot ten miles away if you have to go there by boat. The fishermen want to be able to obtain fresh bait at three o'clock in the morning so they can go out early and fish. I am glad the minister is giving consideration to the matter, and I hope he will be able to make a statement soon as to when the policy will come into effect and the conditions that are to be attached to it.

Mr. Sinclair: I am very grateful to the hon. member for St. John's West for his helpful speech, to which I will reply some time later. However, I think in fairness to my deputy minister I should correct one remark he made. The deputy minister did consult the Newfoundland government when he made his recent visit to Newfoundland, and in return the Newfoundland minister of fisheries came up here last week. I am very grateful to the hon. member for the speech he has made.

Mr. Browne (St. John's West): Might I make one observation?

Some hon. Members: No.

Mr. Browne (St. John's West): It was after Mr. Bates had made his statement that he saw the government.

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, coming from British Columbia, as I do, I think I may say that all agree that two better appointments could not have been made than the present Minister of Fisheries (Mr. Sinclair) and the present Solicitor General (Mr. Campney). British Columbia is a young province and deserves the type of representation these two young men will give it. With the present growth of the province and the influx of new people from Saskatchewan and Alberta, I look forward to the day before too long when our growth will require another minister from that province.

I wish to discuss first the amendment to the amendment in the name of the leader of the C.C.F. group (Mr. Coldwell) which reads in part as follows:

> We regret further that Your Excellency's advisers have failed: (a) to recommend legislation establishing a nation-wide health insurance program.

It seems to me that no one is more qualified to speak about health and hospitalization than a member from British Columbia. We have seen confusion over the years not only under the present government but under the former government which was made up in part of representatives of the Liberal party. I do not think anything was the matter with hospitalization in British Columbia in the first place. The idea was good. The trouble with the administration was that the plan was introduced a year or two too soon. Because of the insistence of certain gentlemen in authority, the law was introduced and the hospitalization plan came into being in British Columbia before we were ready for it.

In the first instance the premiums were set at a rather low level, and my recollection is that they were increased two or three times. We found that the hospitals of British Columbia were not built to take care of the influx arising from the increased number of patients. We found that our nursing schools could not take care of the necessary nursing staffs required for a hospitalization scheme of the type instituted in British Columbia. We found that the cost of construction of new hospitals was, as the Social Credit minister of health and welfare said the other day in the provincial capital, "beyond the power of the people of British Columbia to support." Nowhere at any time will there be as good an example as the hospitalization scheme in British Columbia of something being done long before the proper time and without proper investigation.

As I say, the idea was good. I do not think anyone in British Columbia would argue that the hospitalization plan as we now know it in that province does not benefit the type of people who should receive benefit, people who cannot afford to pay their hospital bills in the first place. However, it is an outstanding example of a government doing something before the people first of all were prepared to accept the extra load on their tax bills and second, before the government knew how to give proper administration covering a matter of that kind. We have confusion in British Columbia so far as hospitalization is concerned. The present government went into office not only because of the things the coalition did not do but because they said that immediately upon taking office the hospitalization plan would become a voluntary scheme. Gone would be the premiums, gone would be the extra taxes, but anyone who wanted to belong to the hospitalization scheme could do so on a contributory basis. If you didn't want to belong to it and wanted to pay your hospital bills in the regular way, why then they would be in agreement with that idea. I do not say this because my hon. friends of the Social Credit party are sitting across the house from me now. Except for one man, the hon. member for Macleod (Mr. Hansell), they did not have anything to do with the provincial set-up. He must accept responsibility for any statements made by Social Credit candidates before the last election in British Columbia. Against the wishes of their own convention, that hon. gentleman from Macleod was brought into British Columbia. There is no doubt that he, of all people, laid down the law as far as Social Credit and the provincial party are concerned. I am not surprised that my hon. friends on the other side in the Social Credit party have said they do not agree with some of the views expressed in that election.

Nevertheless we have had a government in office for not too long which said it would give hospitalization to the people of that province if they wanted it, and for free. However, I find in the Vancouver *Province* of December 1 that notwithstanding the extra cost of construction of hospitals, notwithstanding the fact that the government there knows that under agreements made quite recently extra costs are going to be taken by hospital boards—and in my own locality in connection with our new Burnaby hospital wage costs will go up many thousands of dollars though it is only a 100 bed hospital—notwithstanding the fact that the deficit of the Vancouver general hospital next year will be something like $1 million, this temporary government—

Some hon. Members: Hear, hear.

Mr. Goode: —have seen fit to freeze their payments to hospitals throughout the province. Not only did they tell the people of British Columbia that we were going to have voluntary hospitalization, but they intimated that there would be larger grants to hospitals. I heard them say that. I also heard the Minister of Mines and Technical Surveys (Mr. Prudham) say the other night that, in his experience, this psychology would result in placing more expense upon the municipalities in every province in Canada.

Mr. Wylie: Do you believe him?

Mr. Goode: I only believe what I read and what I study and there is the evidence in the paper. If my hon. friend wishes to get up and deny this, and say he does not agree with his party's freeze on hospitalization payments, I would willingly resume my seat now.

Mr. Wylie: That is not what you are talking about.

Mr. Goode: The minister said the onus was going to be put on the municipalities. How true! If the government in Victoria freezes payments to hospitals, considering the extra costs that are going to take place in 1953, then the municipalities must pay the difference. I think that confirms the words of the minister when he said that with a Social Credit government in power in any province the municipalities would have to carry the load.

Some hon. Members: Hear, hear.

Mr. Shaw: That is not the case.

Mr. Goode: It is in Alberta.

Mr. Wylie: You will hear more about that.

Mr. Goode: When my hon. friends finish arguing from their side of the house they will please remember that when they speak in this house I take it that their opinions are being expressed and that those are sincere opinions. I listen to them on that basis and all I ask is the same respect.

Mr. Wylie: With a few interruptions.

Mr. Deputy Speaker: Order.

Mr. Wylie: It is hard to take.

Mr. Goode: Having said what I wanted to say about hospitalization in British Columbia, I want to come back again to a statement I made at home before I left. I made it because I had an idea that this subamendment would be proposed by the C.C.F. party. I believe the idea is good, but I think they are a little before their time. Anyone coming from British Columbia can prove that a national health scheme now is years before its time. The people are not ready for it. If you took a vote on it throughout the country, beyond some misguided people who vote for the C.C.F., I do not think that too many would support it at this time.

I have much respect for the hon. member for Rosetown-Biggar (Mr. Coldwell). He did say in his speech that he brought it to the attention of the house for their consideration. I think that was a fair statement and I do not think he took the subamendment too seriously himself. It will be a move toward the idea presented by my hon. friend from Vancouver South (Mr. Laing) when he said the other day that he thought the best way to approach this was through a committee. I think he said a joint committee of the House and Senate, but at least he said a committee. That committee would fully investigate the matter and avoid the serious problem which we in British Columbia now face.

If the federal government takes on this national health program we will have not only the difficulties which exist in British Columbia, small as they may be nationally, but we will have to multiply those difficulties a hundredfold. I think nothing would be as tragic as for the government to embark on a national health program at this time, ill prepared as it is in regard to facilities, and with the people ill prepared to accept the cost that must result from the subamendment. I am going to vote against the subamendment not merely because it is a matter of non-confidence in the government, which to my mind is not too important, though I will say that if the subamendment had been worded a little differently I might have risen in my place and voted for it.

Mr. Knowles: Tell us the wording you would have voted for.

Mr. Goode: If my hon. friend wishes me to suggest the policy of the C.C.F. party I will be glad to do so.

Mr. Knowles: Just tell us the wording you would have voted for.

Mr. Cruickshank: We will bring it in at the right time.

Mr. Goode: When the time comes for national health insurance in Canada, I will tell my hon. friends that a Liberal government will bring it in and it will be brought in properly.

Mr. Johnston: How many years will that take?

Mr. Cruickshank: You won't be here.

Mr. Knowles: Does that mean it will be another 33 years before the Liberals take action?

Mr. Goode: My hon. friend will not be here.

Mr. Johnston: That is not an answer to the question.

Mr. Goode: If my hon. friend will come to see me in my office I will tell him. Now I come to another matter on which my hon. friends will not argue too much.

An hon. Member: Having disposed of that one.

Mr. Goode: If the hon. member for Nanaimo (Mr. Pearkes) is quoted correctly in the Ottawa *Citizen* of December 6, he proposes to bring to the attention of the house this week a certain matter that happened in Korea during the visit of the next president of the United States. I was very surprised that the hon. member did not bring the matter to the attention of the government today, and if he had I would most likely not be making the remarks I am going to make.

In the *Citizen* of December 6 there is an article written by Bill Boss, Canadian Press staff reporter in Korea. I think I can say that he is a man with whom I have not always agreed when he reports on Korean incidents. Nevertheless he brought to the attention of the Canadian public, I think, the fact that a guard of honour in Korea, in which was included a number of Canadian troops, was held on a parade ground for seven hours. Perhaps this question and the discussion of it would have come better from

the opposition, but some of us in this house know exactly what this means. The article says this:

> For Eisenhower's parade, scheduled at 3 p.m. the troops marched on to the airstrip at 1.15 p.m. They kept warm by beating their hands together, kicking their feet and pounding one another's backs.
>
> The Canadians didn't complain, considering it an honour to be able to pay their respects to General Eisenhower. But there was much criticism by newspapermen over the lack of consideration shown the troops . . .
>
> The Canadians evoked all-round admiration the hard way Wednesday. On the wind-swept airstrip in five above zero weather they discarded comfortable parkas to parade more efficiently in their beautifully pressed battledress.
>
> The men decided on it themselves, suggesting to Hanson before the morning rehearsals: "You can't do arms drill properly wearing a parka!"

In consequence of that story, if the newspapers are correct, the next president of the United States has had to apologize to certain people in Korea for keeping our troops and other troops on a parade ground for seven hours. The hon. member for Nanaimo said that he was going to bring this matter before the House of Commons, and I quite agree that he should do so. But before he does it, may I say that I remember standing on a parade ground, with some hundreds of men, for five and a half hours one day waiting for the hon. member for Nanaimo; and I must say that when he arrived on that parade ground he was on time. I happened to be the sergeant major on the parade at that time. I checked the parade and found that he was a minute and a half late. I took issue with certain senior officers at that time, just as I take issue now. I do not expect for a moment that a Canadian officer was in charge of that Korean guard of honour, but I suggest that there was a Canadian officer in charge of the Canadian men in that composite guard.

As you know, Mr. Speaker, officers are funny people. You may have a man who works at a desk and who, when he gets home at night, walks the dog around the block, is run by his wife and children, and has Milquetoast tastes in his daily habits; but when, all of a sudden, you put a pip on his shoulder he becomes a roaring lion. I have known officers of this type. Thank goodness they are few in number. I am quite sure that they do not include any former army officer in this House of Commons, but there are some of this type in the Canadian army. I do not say that this man Hanson, who cannot defend himself—and I am certainly not going to attack him here—is that type or is responsible, but somebody is responsible for keeping those Canadian troops on the parade ground for seven hours; and then to have the audacity to tell me, one who has had a little bit to do with troops, that Canadian troops said: "We want to do small arms drill without parkas at five below zero" is something I cannot understand, having regard to the stupidity of it. I think this is the worst type of reporting possible.

I have complained about this gentleman before. You will remember that I said something about casualties being mentioned in the paper, or units being mentioned in the paper, before the people at home knew about it, so that we could save some of our mothers and our wives in Canada unnecessary trouble and worry. This is the same gentleman. He tells us now that Canadians, in newly pressed serge, wanted to do parade ground drill in battledress rather than use parkas. Most of us know that is not true. Nevertheless, this is true: Canadian troops along with others were held on the parade ground for several hours at practically zero temperatures.

I do not say this is a responsibility of government. Goodness knows the Minister of National Defence (Mr. Claxton) does not know everything that goes on with regard to these minor matters, although he does in most major matters; but I think an investigation should be started immediately, when the next president of the United States is practically forced to make an apology; when he himself arrives at the parade ground immediately upon the proper time that is appointed; and we have taken seven hours to put a few men on a guard of honour.

I was a member of the Canadian forces and did not do nearly as much as did most of the veterans in this House of Commons. But I will guarantee now that I can take a thousand men on a guard of honour and put them in their proper positions in half an hour; and I know of no sergeant major in the Canadian army—especially in the regular Canadian army—who could not do it in 15 minutes. I think there were perhaps some thirty or forty men on this guard of honour, although I do not know; but there is not a sergeant major in the Canadian army who could not have done it in a quarter of an hour. Yet this article says we kept our troops rehearsing for seven hours. A Canadian infantryman, after he has been in the army for six months, knows more about small arms drill than do most soldiers in other armies. I think it has been recognized that the Canadian soldier is a specialist in small arms. Yet we have to take seven hours before a guard of honour is held, so these boys can learn basic training that they most likely knew two years previously.

I would suggest to the Acting Minister of National Defence (Mr. Campney) that this occurrence be fully investigated. I am going to ask more questions about it in the house. I want to know why Canadian troops were

held there for seven hours, on whose orders they were held there, and who was the senior Canadian officer on that parade.

Having said something that perhaps might be construed as against the Department of National Defence—although it is not so intended—I think this also should be said, because in regard to the same department we have heard many things this session as to the shortcomings of certain officials. I have here quite a long article which was printed in the New York *Times* of Monday, November 10, 1952, and I propose to put it on the record. It will take about ten minutes, but I think it should be put on the record now. This is an article written in France by a staff reporter of the New York *Times*. It reads as follows:

Quietly and efficiently the Canadians have developed a jet fighter base here in the last four months that will compare—in speed of construction, operational efficiency and living conditions for officers and men—with any of the twenty-one other North Atlantic Treaty Organization air bases already built in France.

This is the home of the alliance's first F-86E Sabre jet fighter wing on the European continent, and all sixty of the Sabres here are Canadian-built. Manned entirely by regulars of the second Canadian Air Force fighter wing, the Canadian group is the first of four such wings scheduled to be flown to the continent during the next eighteen months to join the allied air forces, central Europe, under Lieut.-General Lauris Norstad of the United States air forces.

This 1,000-acre Canadian base is more than just a technical installation; it is an example in co-operation between Canada and France that can be held up to the United States in its heavy task of building a chain of air bases in foreign lands for the defence of the free world.

The progress being made here would be outstanding by any test. On July 3, for instance, there was nothing to see here but a French-built 8,000-foot concrete fighter runway, a parallel taxiway, other hard-surface areas and a few hangars.

Now, four months later, French civil engineers, working with Canadian plans, have built sixty new aluminum-sheathed prefabricated buildings that already house nearly 1,000 Canadian officers and men plus operational equipment and supplies. Another 1,000 Canadians are due to arrive in the coming year.

As autumn rains and cold sweep over this bare tableland in the Moselle valley the Canadian personnel are comfortably installed in steam heated, insulated French-built prefabs, each of which can house 104 officers or men or can be used as recreational halls, administration buildings, chapels, mess halls or supply quarters. Each building, shaped like a giant H, costs approximately $88,000.

"We are very pleased with French materials and construction work," Group Capt. C. F. Johns, Canadian construction supervisor, said yesterday, "These buildings compare well with our own air stations in Canada."

Under the Atlantic pact organization's rules, France selects the sites and builds the runways and some hangars for the organization's air bases in France, but then the country whose air unit uses the fields must build its own barracks, warehouses, recreation halls, etc. It now appears that the Canadians have avoided some of the pitfalls that have delayed the United States' base building here.

The Canadians' progress seems to be due to three factors: Close preparation and co-operation with the French before the earth was turned; a delegation of real authority from Ottawa to Canadian officials sent to France to supervise the work; and diplomacy in dealing with the French from the government down to the local contractor. The combination of the three has paid dividends.

The Canadian air force made a close study of French building techniques long before it sent its first Sabre wing to Grostenquin on Oct. 11. It knew back in Ottawa a year ago what the French could build well and what they should not be expected to build.

When the Canadian air force started drawing up detailed plans and specifications for barracks and other semi-permanent buildings last winter it checked these with engineers in the French embassy in Ottawa. It then completed plans in both English and French and in both the inch-scale and the metric scale used on the continent. When the plans were finally laid before the French government and its engineers and civil contractors in the spring, all knew just what the Canadians wanted. The French reacted sympathetically from the start.

Some of the most experienced construction engineers in the United States have been hired by the United States air force to come to Europe and spend at least one year until October, 1953, supervising building work on three American Atlantic pact bases in France.

Some of this group of technicians have flown up to the Canadian base to look for new ideas. It is too early for their full recommendations, but they have already noted by comparison two major weaknesses in the present American way of base building in France.

That is an example to the rest of the world. Therefore in saying something about some Canadian officers who are in a very small minority, I also wish to congratulate those permanent force officers who are doing such a wonderful job, and who are in a large majority in our forces in Canada.

I have two matters concerning my own riding that I wish to speak on for a moment. One has to do with the fishing industry on the Fraser river. This also concerns the hon. members for New Westminster (Mr. Mott) and Fraser Valley (Mr. Cruickshank). Most likely in their turn they will speak on the same matter, and perhaps do a much better job than I. I wish to take a few minutes to bring to the attention of the Minister of Fisheries (Mr. Sinclair) the marketing conditions in Canada as far as canned salmon is concerned. The hon. member who spoke before me referred to the condition of fisheries on the east coast. A like condition prevails now in British Columbia. We are starting an overlay of warehouse stocks of canned salmon of high grade, and before the next fishing season something must be done for the Canadian salmon industry, at least in some way to help them to finance through the next year.

I am not going to suggest to the Minister of Fisheries what should be done, but I do say to him that conditions, especially among

some of the packers in regard to their debts to the bank, are getting to the point where I am sure the federal government will have to step in. I have said during my time at home between sessions that perhaps a subsidy to the fishing industry might be the final solution. I am not too sure of that now. It could be, but a man in this position, representing 6,000 or 7,000 fishermen, as the members from British Columbia do, must go very carefully in making statements that could be wrong. I do not say that my subsidy idea is wrong, but I want to leave it open to the Minister of Fisheries to make up his own mind, perhaps after conversations with the rest of us, as to what should be done for the canned salmon industry in British Columbia. I am sure some veterans with fishing boats are going to be in dire circumstances by the end of next year unless in some way we step in to finance the surplus warehouse stocks of canned salmon we now have throughout Canada.

I do not think the government should step in at this moment to make a large loan, or anything of that kind. Perhaps they could purchase some stocks on condition that the fishing industry find extra markets. But, as I say, these small suggestions from me are not in any way meant to influence, and certainly will not in any way influence the Minister of Fisheries in his final analysis of the situation. I do hope, however, that our fishermen in British Columbia will be assured of at least a reasonable resale market for their fish in 1953.

In conclusion I should like to touch on one other matter. As we all know the Canadian Legion has asked each of us, both at home and here, either to support or go against their brief. We all know what that brief is. Some of us are prepared to support it; some of us are not. I have always found the Legion, especially in my own riding, to be pretty reasonable men. There is no doubt in my mind that the recipients of war veterans' allowance, in some instances, are having a pretty tough time. I would suggest to the minister that until another session comes on and another veterans affairs committee is set up, this $10 from the assistance fund that we give to some under a means test—and some we do not give it to at all—should be added to the war veterans' allowance without the means test; that is, without that second means test. Let us add that $10 to the basic rate. It may not be very much, but I know of cases where that $10 would just mean the difference this year between a decent Christmas for some of our older veterans and a Christmas that might mean going somewhere other than their own home for a meal.

I want to say this to the Minister of Public Works. The Fraser river concerns British Columbia members. I wish only to speak about my own part that borders the municipality of Richmond. Rightly or wrongly the engineers of the department at New Westminster decided on a scheme which will narrow the Fraser river so as to allow the current to carry the silt out into the Pacific and, so far as I can see, their plan is a good one. Across from Richmond at the moment, on the south side of the river, they have put in many hundreds of thousands of tons of rock, and have fortified that southern bank. In doing this they have pushed the strong part of the current over to the north side of the river, bordering on the municipality of Richmond.

All there is at that point at the moment to hold the water is an old dike built many years before my time. I suggest to the Minister of Public Works (Mr. Fournier) that that dike will not hold at the time of the next Fraser river freshet, should we have normal snow at the headwaters of the Fraser. I would ask him to co-operate with the reeve and council of the municipality of Richmond to do something to strengthen the north side of the river; because if the freshet ever breaks through that dike we are going to have a crisis on our hands that will cost many millions of dollars. If the Fraser river breaks through the dike, and if the water is sufficiently high, as it usually is at the time of a freshet, the water could proceed almost to the locality of Brighouse, and many thousands of people would be affected. I suggest investigation of the matter should be made now because, as most of us from British Columbia know, it will not be too long before the Fraser river will go on its yearly rampage.

Mr. Victor Quelch (Acadia): Mr. Speaker, I should like to express my appreciation of the loudspeaker system installed in the house. For the first time in the seventeen years I have been here I find I am able to hear what is being said in all corners of the chamber. That is indeed a pleasant change, because there used to be many occasions when we could not possibly hear what was said. It certainly does add to the interest one takes in debate when he can hear clearly and distinctly what is being said.

I notice that many members on the opposite side of the house are showing an increased interest in the Social Credit movement. That is especially true of those members coming from our sister province of British Columbia, a number of whom have been most vociferous in their interjections.

I have in mind particularly the hon. members for Kootenay East (Mr. Byrne), Vancouver South (Mr. Laing) and Fraser Valley (Mr. Cruickshank). At least they should have the satisfaction of realizing that their constituents are becoming more progressive. If those hon. members are not able to give leadership, at least they should try to keep up with those whom they represent. It is quite evident that the people in British Columbia, including those in Fraser Valley, are no longer willing to sit back and let George do it.

Mr. Cruickshank: They will send us back here again; don't worry about that.

Mr. Quelch: I wonder if, before I proceed to the next portion of my speech, we might call it six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Quelch: Mr. Speaker, when the Minister of Mines and Technical Surveys (Mr. Prudham) spoke on December 4 he adopted a somewhat critical attitude toward the policies of the provincial government of Alberta and implied that they had placed a somewhat undue burden upon the municipalities. When the hon. member for Burnaby-Richmond (Mr. Goode) spoke this afternoon he adopted the same argument and made the same charge. I think the record of the provincial government of Alberta in regard to the municipalities is fine, and will compare most favourably with that of any other provincial government. The assistance given to the municipalities by the provincial government has been considerable. I should like to place on the record a summary of the assistance given as recorded in an official publication issued by the department of economic affairs, legislative buildings, Edmonton, Alberta. It is entitled, "Summary of Assistance to Municipalities" and is as follows:

	1952-53
Education:	
School grants	$9,870,000
Teachers' retirement fund	565,000
School building assistance act	2,000,000
Public health:	
Per diem hospital grants	1,102,000
Special hospitalization grants	1,504,000
Hospital construction grants	500,000
Grants for health services	58,000
Public works:	
Grants for road in municipal and improvement districts	3,880,000
Grants for bridges	800,000
Treasury department:	
Grants to municipalities in lieu of taxation on certain government buildings	30,000
Grants under the municipal assistance act	5,991,000
Lands and forests department:	
Increased payments to municipalities from grazing leases	200,000
Total direct financial assistance	$26,500,000

That is for the year 1952-53. Then there are some additional amounts as follows:

Increased Share of Welfare Paid by Province	
60 per cent of indigent relief and child welfare	$ 585,000
The 10 per cent of basic old age and blind pensions formerly paid by municipal authorities	500,00
Reduction of municipality's share of the cost of mothers' allowance from 25 per cent to 20 per cent	50,000
Cost of hospitalization for pensioners formerly paid by municipal authorities	1,450,000
	$ 29,085,000

That represents approximately 40 per cent of the estimated provincial expenditures on income account for 1952-53. The minister was also critical of the fact that municipal debt in Alberta has been increasing. The same would be true of the municipalities in any other province. There is a definite reason why the debts of the municipalities in Alberta have been increasing. It is largely due to the fact that municipalities throughout the province are taking advantage of the credit that is made available by the Alberta government at the rate of only 2 per cent under the self-liquidating projects legislation. These loans are granted at 2 per cent with repayment spread over a period of 20 years.

Many municipalities throughout Alberta, and I am glad it is so, are taking advantage of this legislation in order to put in water systems, sewage disposal plants and other services. I think we will all agree that this is definitely to the advantage of the people because it makes it easier for them to carry on in their homes, and makes conditions far more healthy than is the case in small towns where there is no water available in the homes. I was interested in an article which appeared in the Edmonton *Journal* of November 1, 1951 dealing with this matter, which reads:

> Twenty-seven Alberta municipal governments have been granted 2 per cent loans totalling $4,770,950 from the Alberta self-liquidating projects fund since March 31, it was stated by Kenneth Hawkins, deputy provincial treasurer.
>
> A total of $7,000,000 was voted for the fund by the legislature this year, and more than $2,500,000

remains to be lent to local governments to finance self-liquidating projects such as installation of water and sewer systems.

The Alberta self-liquidating projects act was passed two years ago, and during the first year almost $5,000,000 was lent to the local governments, so the total amount lent by the fund is approaching $10,000,000. In the initial year, loans numbered 34 and totalled $4,978,353.

That was as at November 1, 1951, and I understand that since that time additional loans amounting to $6 million have been granted, making a total of $16 million at 2 per cent. I am quite sure that the Minister of Mines and Technical Surveys will not criticize such a policy because it is to the advantage of Alberta. Mind you, this is not something imposed upon the people; it is done at their own request. A plebiscite is held to determine whether or not the debt will be incurred in order to instal water systems or other services. It is only after it has been voted upon that a loan can be made.

I suggest that the Minister of Mines and Technical Surveys would be doing a service to his province and to the people of Canada if he would put pressure upon the federal government to adopt a similar policy in regard to loans in connection with federal projects. I believe there is still legislation on the statute books to provide for the granting of municipal improvement assistance with loans at the rate of 2 per cent. That legislation was suspended during the war and no loans have been made under it since that time. I think the minister should put pressure upon the federal government to once more make these loans available.

It is true that municipalities in Alberta can get money from the provincial government at 2 per cent, but that is not the case in the majority of the other provinces. If a municipality wants to finance a project of this kind it has to pay 4½ or 5 per cent or even a higher interest rate. I think the minister would be doing a great service if instead of criticizing Alberta he would have the government make money available to municipalities at these low rates of interest.

Let me go a step further. I think the minister would be making a real contribution if he would urge upon the federal government the desirability of reducing the interest rate on loans for housing to 2 per cent. He would make a contribution if he would exert pressure upon the federal government to reduce the interest rate to veterans from 3½ per cent to 2 per cent.

Mr. Prudham: Can my hon. friend tell me what the Alberta government has ever done to help housing?

Mr. Quelch: By making loans at 2 per cent for the installation of water systems and sewage disposal plants they are making a direct contribution. I want to turn now—

Mr. Low: I think the minister would do well if he kept quiet.

Mr. Quelch: —to the question of agriculture.

Mr. Blackmore: Let him inform himself a bit.

Mr. Quelch: I think most hon. members will agree that the present situation in agriculture is a matter for grave concern. Certainly the farmers themselves are concerned about the situation. I say that because in spite of the fact that there have been two record crops in the west, farm income is down 5 per cent this year. That is largely due to the fact that the price received for farm products has dropped by 10 per cent while at the same time the cost of those things the farmer has to buy has gone up by approximately 5 per cent. My authority for that statement is to be found in the "Current Review of Agricultural Conditions in Canada, November, 1952", where on page 9 there is the following:

Farm income.—Although farm cash income from the sale of farm products and from participation payments, including those on previous years' crops, may reach a new all-time high, it is estimated that a lower income in kind, reduced values of year-end inventory changes and higher operating costs will serve to provide a net farm income about 5 per cent below that of a year ago.

On the next page under the heading "Farm Prices of Agricultural Products" I read the following:

With the exception of the month of January, the index of farm prices of agricultural products was substantially lower during the first eight months of 1952 than for the corresponding period of 1951 . . . Even if the present level of the index can be maintained until the end of the year, it is estimated that the annual average for 1952 will be at least 10 per cent below that of a year ago.

Under the heading "Prices of Commodities and Services Used by Farmers" I read the following:

Prices paid by farmers for commodities and services used for production and for living continued to rise during 1952. The composite price index number of goods, service and cost of living in 1952 is nearly 5 per cent above that for 1951 with the greatest increase occurring in farm wages followed closely by family living costs, equipment and materials.

I should like to point out that if it had not been for the large crops that were harvested in the west the drop in income would have been considerably greater than 5 per cent. But we cannot always expect the kind of crops we have had out there for the

past two years. The present situation is causing a good deal of concern already. The moisture content in the soil today is about 70 per cent of normal and unless there is very heavy rainfall between now and next June we cannot hope for a crop next year anything like those we have had during the past two years.

I will admit frankly that the condition of the grain grower is far better than that of the livestock man. It is the livestock man who is really taking the beating in Canada today. I have in mind the hog producer, the poultry producer and the dairy producer. These men are really hard hit. The cost of their feed is high and the price of the things they have to sell is falling fast. The result is that today there is a good deal of talk among farm organizations about the need, and even the desirability, of reducing production of their commodities. In that connection I should like to refer to the issue of the *Rural Co-operator* under date of November 25, 1952. On the front page under the heading "Time to cut production?" there is the following:

> Regulated production or government assistance are the two courses open to farmers, C. A. Milligan, Napanee, president of the Ontario federation of agriculture, said in an address at the recent annual meeting of the Ontario cream producers association in Toronto. The farmer cannot continue to produce on today's prices, Mr. Milligan said. He posed the question of whether it might not be the time to cut production to domestic requirements to insure a fair price.

If the government is not prepared to maintain agricultural prices at a level that will bear a fair relationship to the prices of other commodities, then it would seem that the only solution for farmers is to reduce their production. If farmers are going to be forced to operate under the so-called law of supply and demand, then of course the logical thing for them is to play the game according to the law of supply and demand and cut down their production, thus reducing supply so that demand will catch up with supply and prices will rise. That is what the manufacturers do. That is what they did during the depression years. They did not reduce their prices in order to try to increase sales. They reduced their production, and while the prices of agricultural products fell in those years by 65 per cent the prices of manufactured goods only fell by 25 per cent during the same period as a result of the manufacturers operating under the so-called law of supply and demand.

Let me make this point. If the farmers adopt a policy of that kind, if they do reduce their production, then the federal government will have to take the full responsibility for that action. If farmers today, in the face of the world situation, reduce their production then that will be an extremely vicious policy and, as I say, the federal government will have to take the responsibility for it. I would say that if such action is taken it will be the result of a breach of faith on the part of the federal government.

In the first place I would point out that a reduction in production cannot possibly be justified in the face of the present world situation. We heard the Secretary of State for External Affairs (Mr. Pearson) speak this afternoon and the picture he painted was somewhat gloomy. He told us about the difficulties of the have-not nations and the difficulty of making supplies available to them. I was very much struck by an article written recently by Dr. Hugh Keenleyside, former deputy minister of mines and resources. I understand he is head of the United Nations technical assistance program. The article is published in the December 6 issue of *Saturday Night*. I am going to quote from it because, while I realize that some members will have read it, there are many others, no doubt, who have not read it. I think the article brings out some very important points which should be given careful consideration by hon. members and by the government. The heading of the article is, "Is Military Defence Enough?" I read from page 23 as follows:

> There can be valid arguments as to the amount of effort and the precise allocation of our resources that should be devoted to each aspect of this basic problem. It is argued by some of our political leaders that, as far as Canada is concerned, the present division of approximately $100 for direct defence to $1 for technical and economic aid to the fermenting and revolutionary areas of the world is about right.
>
> To many others such a distribution of our democratic resources seems dangerously unrealistic. This view is shared by the commission on foreign economic policy appointed under the chairmanship of Mr. Nelson Rockefeller by the president of the United States, and by a whole galaxy of equally distinguished and equally conservative statesmen and economists.
>
> It can be and is argued that in the case of Canada our people are not prepared to make the additional financial sacrifices that would be necessary to provide both kinds of protection. At the moment that may be true. But that is not necessarily the final word of the Canadian people on this subject.
>
> Our government has worked with great courage, skill and persistence to convince the Canadian people that guns are necessary. I am satisfied that a similar persistence, skill and courage would produce a similar response on our other defensive front. This is a time for leadership, not for simple compliance with existing opinion. If the public knew the facts, opinion might change. Popularity is not the final test of governmental greatness. What are some of these facts that the public should know? Well, let's look at the world around us.

I am going to cite two examples that he gives. He says:

> Half the people in the world are ill, and expect to die before reaching the age of 35. But they know that they could and should be cured, and that if they were Canadians or New Zealanders or Swedes they would probably live to the age of 70.
>
> Half the people in the world have an income of less than $100 a year; or, in other words, most of the people in the world are hungry most of the time. But they know that there could be enough food, and enough clothing and shelter, for all.

This article states that perhaps public opinion is not ready for this, but it points out that if people were educated with respect to what the situation is in the world they would no doubt support greater economic aid. Well, the Minister of Mines and Technical Surveys (Mr. Prudham) told the people in Edmonton that down in Ottawa they had a bunch of statesmen, not politicians. Surely if the cabinet is composed of a bunch of statesmen they would be prepared to risk their reputation on a policy of economic aid instead of just going along as far as they thought the people might support them. The people at this time need leaders and not merely men who will follow general public opinion.

Now the question is, in the light of that situation can reduced production of food be possibly justified? I am satisfied that the vast majority of people in Canada knowing of the situation would say that the answer is no. No doubt increased production of food and its distribution to hungry people would be one of the greatest weapons we could use to keep peace. Government policy should be to encourage an increase in the production of food, not a decrease. Unfortunately there might very well be a decrease unless the government gives some kind of a guarantee to agriculture that in the event of their increasing production they will not have to take a reduced price, which may mean they will have to take a lesser price for their increased production than they would receive for the decreased production.

The article by Dr. Keenleyside suggests that it might mean some sacrifices. I would suggest that by maintaining a high level of production, and furthermore by expanding production, in this country we would actually have an increase in prosperity. Certainly you would have greater prosperity than you would by allowing decreased production. No country can become prosperous by decreasing its production.

Some people will say: Well, if we are going to give some of that production to other nations, does that not necessarily mean increased taxation? I would say, in the light of the situation in Canada today, that the total cost of aid given to foreign nations would not have to be met by taxation. I would say that for this reason. We have a situation today where inventories in the country are building up. There are surpluses in many industries; there are surpluses in agriculture; the hon. member for Burnaby-Richmond (Mr. Goode) referred to a surplus of fish. You can go right down the line and find many surpluses. Unfortunately in many parts of Canada today we also find people with reduced purchasing power to buy the goods they require and hence we find buying on the instalment plan and credit buying has expanded very rapidly, for the simple reason that people have not the money and therefore they buy on time. That situation indicates a lack of effective demand.

We have a certain amount of unemployment and undeveloped resources. In order to bring about the distribution of surplus goods the government would be justified in going to the Bank of Canada for funds, and not depending upon the borrowing of the savings of the people or increased taxation. That would mean a saving in interest charges and would not increase our debt burden.

I would say that the government has forced the farmers into a position where, in order to secure a good price, they have to reduce their production; and if that is so they will be guilty of a breach of faith with the farmers. I say so for this reason. It will be recalled by members who were in the house during the latter years of the war that price ceilings were placed on agricultural production. It was announced that that was part of a stabilizing program. The government asked the farm organizations to support that program, giving them the definite assurance that it would be part and parcel of a stabilization program under which prices of agricultural production would be stabilized after the war. The government also established the agricultural prices support board which was to prevent prices falling below a certain level.

As years went by the farm organizations were not satisfied that prices were being maintained at a fair level, and asked the government to establish a formula. The Minister of Agriculture (Mr. Gardiner), when speaking to the Canadian Federation of Agriculture in annual convention two years ago at Niagara, announced what the formula would be. At the last session he also announced the formula in the house. He said then that the support prices would be maintained so that the price of agricultural products today would bear the same relationship to the prices of other commodities as they existed in the base years, 1943, 1944, and 1945.

Would anybody say that today prices are being maintained in line with that formula? I was satisfied that such was not the case, and I wrote to the dominion bureau of statistics and asked what the price of agricultural products would be on the basis of that formula. I put this information on the record at the last session, but just to remind members I want to place a few figures on the record now.

On the basis of that formula the price of hogs would be $29.72 per hundred pounds. The support price is only $26, and I understand that in January the price is to be reduced to $23. What possible justification can there be for reducing that price from $26 to $23 when it is already 3 cents per pound below the formula, and when the price of everything else is going up?

Then we can take the price of eggs. Under the formula they should be 73 cents a dozen, but the floor price is 38 cents. The price of butter should be 64 cents per pound, but the floor price as of January of this year was 58 cents; it may have changed since then. On the basis of the formula farmers are perfectly justified in asking that the government maintain support prices at a higher level in order to assure them that the prices of farm produce today will bear a fair relationship to the prices of other commodities on the basis of the base years, 1943-45. I say that no stone should be left unturned by the government in order to expand production of food in order to help meet the tremendous need that exists in the world today and to which the Secretary of State for External Affairs (Mr. Pearson) referred this afternoon.

Now for a few minutes I wish to turn to the international wheat agreement, because the Agricultural Prices Support Act does not deal with wheat. As the hon. member for Battle River (Mr. Fair) said when he spoke in the house, we in this group would like to see a new international wheat agreement signed, but we insist on certain changes being made before it is signed. Certain weaknesses that exist in the agreement should be taken care of; and we were very glad to hear the minister state that he is going to strive for higher prices under the new agreement.

The main weaknesses I refer to under the international wheat agreement are these. It will be recalled that when the British wheat agreement was signed in 1945 most people were of the opinion that price levels were bound to go down. Everybody seemed to think that, and certainly the government thought it. So the British wheat agreement was signed; but instead of the price of everything going down the price of everything else went up and, as a result, the farmers took a beating. When the 1948 agreement came up, everybody again seemed to take it for granted that the price of everything was bound to go down and when the international wheat agreement was signed there was the provision in it that the floor price would drop 10 cents every year without regard to what happened to the price level.

At that time, speaking for this group, I warned of the danger of that provision. I pointed out that there was no assurance that price levels would go down, that it was quite possible prices would go up, and that if the price levels went up there was no reason why the floor price should go down. At that time I wanted the price of wheat under the international wheat agreement to be tied to the price levels of importing nations so that if the price of everything else went down the price of wheat would go down, but if the price of everything else went up then the price of wheat would go up too. The result of that would be that our exports of wheat to a particular country would bring back the same amount of imports to this country.

At that time there was no support from farm organizations for the suggestion we made in the house. I am glad to say, however, that today farm organizations are asking for that very thing, an escalator clause. I am sure the Minister of Trade and Commerce (Mr. Howe) must agree with that proposition, because I remember a speech by him some years ago in which he said he did not like to have to sell wheat in advance, without knowing what the price should be. He did not like to set the price ahead four years. When you set the price, as it is set under the international wheat agreement, you are merely guessing what the price should be. But if you set a price in the first year on a basis that seems fair in relation to the prices of other commodities, and then tie that price to the price level of other commodities, you are not guessing. You know that in the next few years the price of that wheat will still continue to bear a fair relation to the price of other commodities. Therefore in any wheat agreement that is signed I think there should be some provision—and I am not trying to be dogmatic about it—that would take care of that situation so that if in future instead of going down the price level went up, the farmer would not suffer as a consequence, as he has suffered under the international wheat agreement and under the British wheat agreement. I am hoping that some action will be taken along that line.

The price of wheat today is, of course, low as compared with the actual price of wheat

in 1948. In addition to that, the prices of the things the farmer has to buy have gone up considerably, putting the wheat grower in an unfavourable position. Although wheat does not come under the Agricultural Prices Support Act, it is nevertheless interesting to note that if the formula announced by the Minister of Agriculture (Mr. Gardiner), using the basis of 1943-44-45 were used in connection with wheat, the price today would be $2.53 a bushel, according to the bureau of statistics. I am not suggesting that we should try to get $2.53 a bushel. I merely mention that fact in order to show that the price of wheat today is low in comparison with the prices of other commodities. I am suggesting that, first of all, we should try to get a higher price—and the minister has assured us that he is going to try to get that—and have a higher floor. Then there should be a clause in the agreement which would make it possible to adjust those prices in relation to changing conditions. In other words, there should be some form of escalator clause.

I should also like to join with the hon. member for Battle River (Mr. Fair) in what he said about the wheat board. I think the wheat board have done a magnificent job under extremely difficult conditions. I know I speak for the people back in my constituency when I say that they have no desire to see the wheat board done away with. They want the wheat board to continue as a 100 per cent marketing agency. They do not want to be thrown back to the mercy of the vagaries of the grain exchange under which every time they try to expand production, they are penalized by reduced prices. The world today needs expansion of production and we must have a policy that will make it possible to have that expansion without penalizing the producers by reducing their prices.

I believe my time is rapidly being exhausted, but before concluding I should like to say a few words with regard to income tax. I see that the minister is in his seat. I am not going to say a great deal at this time because I know that the proper time to discuss this matter is in the budget debate, but I want to make a protest on behalf of the people I represent about a policy that was instituted this fall, and that caused a great deal of hard feeling.

About October a number of the farmers of my district received letters telling them to appear before a federal investigator at either Drumheller or Stettler, and to bring with them a full statement showing all expenditures and receipts, as well as their bank books, the titles to any property they possessed, their bonds and everything else, dating back to the year 1946. You can understand just what the reaction of these farmers was. This is 1952. The department were going back to 1946. The situation caused a great deal of hard feeling, and they ran into all kinds of trouble. The first thing they ran into was this. When they went to the bank and wanted to get documents of title, the banks in many instances said no, we are not going to give you the titles; we are holding them as security; and you could not expect them to do so. The farmers arrived with only about half what the investigators wanted. In some cases I have heard from farmers that they were treated decently by the investigators. On the other hand some farmers have told me the opposite. I guess it depended on the position the farmer was in.

I suggest to the minister that, whether it was good policy or not, it was poor politics, just before an election, to pull off a stunt like that. Of course I am not a Liberal, so I am not worrying any; but I do not think it is good politics. If the letter written had just contained a line or two saying: "We want to help you with your income tax return; we do not think your statements are quite correct and if you will come down to the office, we will help you formulate it" there would not have been anything like the amount of hard feeling. But the content of the letter was to the effect: You have been doing something that is wrong, and we are going to find out what it is. There was a kind of dictatorial attitude that people do not like. As I say, it is poor politics.

There is one other case that I have had brought to my attention; it is the case of the housekeeper on the farm. The farmers feel that they should be allowed a deduction for the wages of a housekeeper. I know that matter was discussed in this house two or three years ago and it was not allowed; but this is one thing I wish the minister would take into consideration. A farmer is allowed a deduction for farm help; yet in many cases the person employed as a housekeeper is actually doing quite a large percentage of farm work, such as milking the cows, maybe, or looking after the poultry, feeding the pigs and so on. I suggested to one or two of the people who wrote to me that it had not been allowed in the past, but I would bring it to the attention of the minister again. I suggested in the meantime that if there was anybody employed on the farm in that way, instead of saying that the wages were $50, if she was working partly as housekeeper and partly as hired help, to put it in as $25 for

hired help and $25 for housekeeper. I do not know whether or not I was giving them advice that might get them into trouble. I told them that I did not have anything official to go on, but it looked to me like common sense. I hope the minister will give the matter consideration.

I believe that my time is just about up, Mr. Speaker, but before I sit down I should like to say this. I have made a plea asking that greater economic aid be given to certain foreign countries, to what are considered the "have-not" nations. That can be done without any sacrifice on the part of the people because it can be done out of an increase in production. But before we start to give greater aid to people in foreign countries we should first of all make sure that we are doing everything we can to look after our own people.

There is one class of people that I believe should have attention, and I think that attention is long overdue; I refer to that class of people who are physically incapacitated. Many resolutions have been introduced by private members, and I think by some on the other side of the house, with regard to this matter; and every hon. member of this house who has spoken on it has spoken sympathetically. If a free vote were taken tomorrow as to whether or not pensions should be granted to people who are physically incapacitated, I am satisfied that it would pass unanimously in this house. I hope the government will give consideration to the matter, because I am satisfied that a country such as Canada should be in a position to guarantee a fairly decent standard of living to all people provided they are willing to work and, if they are not able to work, through physical incapacity, then that aid should be granted to them as a pension.

Mr. J. J. Smith (Moose Mountain): Mr. Speaker, one must realize in taking part in this debate, which is going into its third week, that it is going to be rather difficult to make an address without repeating what has already been said but I will try to avoid that. This evening, I do not intend to make a political speech; I think it is too early to start the election campaign. I prefer to conduct that campaign later on. I have not had much experience in election campaigns but, when they start, I like to make them hot and juicy; and I will save my ammunition for that time.

There are a few subjects on which I should like to speak, and the one that I will deal with mainly is the amendment to the amendment, with regard to national health insurance or a national health scheme. However, there are a few other subjects I wish to touch on briefly. To begin with I want to say a little bit about trade.

We in western Canada are naturally interested in trade because we produce much more than our country can consume. Hence we are definitely interested in trade. Perhaps I might mention what has been directed as a criticism toward the government. It has to do with our loss of foreign trade, particularly with Great Britain. It may be true in part that we have lost our trade with Great Britain, but we should examine why. It is said that Great Britain finds herself short of dollars, and therefore she cannot buy our products. I do not think that is the whole story. I find that Great Britain bought more in Canada during last year than she did in 1939. It is true that during the war our trade increased considerably with Great Britain, but after the war and since 1946 and 1947 it has been dropping off. The fact remains that Great Britain spent roughly over $600 million in Canada last year as compared with $300 million in 1939. If they are spending twice as many dollars in Canada as they did before the war, I do not think it is telling the whole story to say that there is a shortage of dollars.

If they are spending twice as much money in Canada as they did before the war one might ask, and rightly so, what are they buying? Britain finds herself in a position where she believes that she needs our raw products much worse than our food, though it is true that she can use our food. But she can buy some of the products which we grow much cheaper in other countries. The Englishman has always been quite a statesman. He is the same today as he always has been, and he buys where he gets what he wants cheaper.

Take beef, cheese and butter. In western Canada we are mostly interested in beef; to some extent butter, but we do not produce cheese. What is the position? I am sure it was put on the record before by the Minister of Trade and Commerce (Mr. Howe), but I should like to cite again what the position is. In June the Canadian floor price for beef was 25 cents in Toronto or Montreal. On that same date Great Britain had a contract with New Zealand which called for beef at $14.20, f.o.b. New Zealand. Therefore it is easy to understand why we are not selling beef to Great Britain at the present time. There is only one reason, only one sensible and logical

reason, namely that we have a better market somewhere else and can receive much more for it. That is in the United States.

At the same time butter was selling in Canada at 58 cents, or at least the guaranteed floor price was 58 cents, and 35 cents in New Zealand. Last spring the guaranteed initial price of cheese was 24 cents in Ontario and 19 cents in New Zealand. Judging by these figures, if the Canadian government or the Minister of Trade and Commerce has lost these markets—and we all agree that there is a mighty good reason why we are not in them—I do not think the people in western Canada, particularly the beef growers, would look very favourably toward the Minister of Trade and Commerce or the government doing anything to force us to sell our beef and compete with New Zealand when we have a much better and higher market to the south.

We hear of trade and quite a bit about protection. I never did agree with protection. I always thought that those tariffs and subsidies were something that somebody was getting for something they did not really have. In western Canada we have to grow products and we have to compete on the markets of the world, and naturally we think that others should do the same thing.

That is all I am going to say on trade, but for a few minutes I am going to say something about freight rates. I confess immediately that I know very little about freight rates. Perhaps there are other hon. gentlemen in this house who know just as little as I do, or possibly less. My reason for mentioning freight rates is that I noticed that the hon. member for Assiniboia (Mr. Argue) has been quoted in the Regina *Leader-Post* of July 17 as having spoken to a C.C.F. provincial convention in Saskatoon. The *Leader-Post* says:

> Argue says federal vote June 29, 1953

I do not know whether or not he was trying to convince that convention that he knew just when the election was going to be held.

Under the heading we find the following:

> He scored the federal government on freight rates, handling of foot-and-mouth disease outbreak and floor prices.
>
> "The railway had asked for rate increases which would permit them to operate at a surplus. Considering the government we have at Ottawa and the mentality of that government I say that they will get all they ask for," he said.

I said that I did not know much about freight rates, Mr. Speaker, but I think the statement I have quoted is far from being the fact. It is my understanding—and I am sure I shall be corrected if I am wrong, or at least I hope I shall be—that the federal government has little or nothing to do with freight rates. The board of transport commissioners deals with that subject wholly. It is my understanding that in 1938 the act was amended to give the board of transport commissioners full control and full jurisdiction to decide whether or not freight rates would be increased. The provincial governments, those representing agriculture and any other bodies, may go before that board and put their case, and the board's duty is to decide whether there shall be any increase in freight rates or not.

I was speaking to a friend from my constituency who attended the convention I have just referred to; naturally he was not a supporter of mine. He asked me whether the statement made by the hon. member for Assiniboia was correct; whether the federal government was going to give the railways all the increases they asked for. I asked him who told him that. He said: "Mr. Hazen Argue told us that at the C.C.F. convention." Well, the only thing I could say to him, and what I did say to him, was this: "Don't take Mr. Argue too seriously on the platform. If you get him off to the side and speak to him privately he is not a bad fellow. That has been my personal experience." That is why I mention freight rates. I am sure the hon. member will not be able to say now that I have ignored him this evening.

I have been following the hon. member since I came to this house, and I must say that generally he makes a speech that is pretty well covered up, a good defence. But in the one he made the other night he was boxing wide open, with no defence at all. I am not going to deal with that speech, but I do wish to refer to what he described as a private deal in the city of Estevan, which is in my constituency, and which he said at that time was common knowledge. Well, I have to say that I did not know anything about it. I have inquired since. I noticed that a few days later the weekly *Free Press* carried the story of the hon. member for Assiniboia under the heading: "Barter deal in Estevan". The *Leader-Post* had an article some time later, but the figures are somewhat different. The *Free Press* quoted the figures of the hon. member for Assiniboia, which were 100,000 bushels, as he stated in this chamber. The *Leader-Post* had it down to 10,000 bushels. The information I have received privately out there is to the effect that it was 8,500 bushels. Anyway, we shall take the *Leader-Post* and the *Free Press*. That is 10,000 bushels as against 100,000 bushels. Well, if my arithmetic is correct—and it is only simple arithmetic—the hon. member was 10 per cent

right and 90 per cent wrong. I must admit that he is improving. I have made inquiries on the deal and I am told by the motor people that they have taken in some grain, or that at least they have agreed to take in some grain against the sale of vehicles. But in most cases the grain has remained on the farm, and must be sold through the farmer's quota book.

I am now going to turn to the amendment to the amendment, and speak for a few moments on the subject of national health insurance. I think all are agreed that a national health insurance plan is desirable. I believe we have agreed in the House of Commons that it is going to have to be paid for. I think, too, we are pretty well agreed where the money will come from, that it will be from the taxpayer.

It may be recalled that when the old age pension legislation making provision for our citizens 70 years of age and over, without a means test, was before the house, I was not 100 per cent in favour of it. I declared at that time that I had some concern in respect of the taxpayer. I pointed out that those who were receiving family allowances were riding on one end of the stick, the old age pensioner was on the other, and the man in the middle was carrying the load. I believe the people in my constituency expect me to give some consideration to the man in the middle, because he is important. If he breaks down, the other two ends of the stick will have no support and those who are riding on them will have to get off and walk.

The amendment to the amendment asks that the government bring in immediately a national health scheme. According to the figures offered by the hon. member for Rosetown-Biggar (Mr. Coldwell), who proposed the amendment to the amendment, it will cost somewhere between $500 million and $600 million, something more than half a billion dollars. I do not think I could justify that expenditure to the people of my constituency at this time.

Furthermore, if we accepted a scheme of this kind, it has been pointed out that we would likely find, as they did in Great Britain when they instituted their health scheme, that it would cost considerably more than was originally expected. Over there we are told it cost about $300 million more than they had anticipated. It is my opinion that if such a scheme is to be made work properly, it will be essential that those whose responsibility it is to make it work must be in favour of it. This would refer, of course, both to the people in general and to the medical men. As time goes on it would seem that professional men engaged in the practice of medicine are beginning to agree at least to some extent that a national health scheme is necessary.

When the hon. member for Rosetown-Biggar spoke in the debate he made reference to what had been said at Laval university by Dr. Jobin, chairman of the Canadian association of French-speaking physicians. He pointed out that this doctor had suggested it was time we had such a program, and that he was in favour of it. Those of us who are interested in such a program are glad to note that a medical man holds that view; but I think we will have to have more of them stating a similar view because, whether we like it or not, it is the medical men who will have to put over such a scheme, or at least who will have to help put it over if it is to be a success.

Mention has been made of our hospitalization plan in Saskatchewan, and I shall refer to it briefly. We have in our province free hospitalization available at a fee of $30 per family, as a maximum, or $10 per individual, plus a sales tax, and plus $6 million a year out of the provincial treasury. I give full credit to the part the government in Saskatchewan has played in bringing about this hospitalization scheme. I also give full credit to the premier of that province for what he did when he was minister of health to help put such a scheme across.

It has been said that one in public life in Saskatchewan dare not criticize the hospitalization scheme of that province. I take no heed of that warning. As a representative of my constituency I believe I can stand in my place in this House of Commons and point out both the good and the bad in that scheme, without suffering in any way politically.

I believe I am free to speak in that way because it is well known in my constituency where I stood in this matter before I became interested in politics. I spent a considerable amount of time and effort in putting across the hospitalization scheme in health region No. 3 of my province. That was the Weyburn-Estevan area, taking in to a large degree the constituency I now represent in the House of Commons.

On that occasion we took the municipal plans to which reference has been made in the debate, and incorporated them into an over-all plan in order to give the hospitalization service to all people in that health region. We were watched closely by the health department in Saskatchewan. The municipal representatives on the board were given assistance by the health department in Saskatchewan to make the effort a success. I

believe what was done was a success, and that other provinces throughout Canada would do well to institute a similar scheme.

Although it worked well when divided into health units, the provincial government decided to take it over and operate it on a provincial level. I have no criticism to offer on that score because I thought at that time, and I still think, that was a good idea. However, we must not lose sight of the fact that instituting a hospitalization scheme is much easier than would be a medical scheme. We had only to make deals with the various hospitals, after we had drawn a rate, and this was not too difficult. But then the medical end might be more difficult.

It has been said in the house, and I think properly so, that we in Saskatchewan are more health conscious than are the people in some of the other provinces. When the hon. member for Assiniboia (Mr. Argue) was speaking the other evening he said that if there was an issue in the last provincial election in Saskatchewan it was not the hospitalization plan, and indicated that all parties, including the Liberal party, were in favour of it. It is nothing new for Liberals to be in favour of social services in Saskatchewan. Indeed, any examination of the record will prove that this was the case long before we ever heard about the C.C.F.

I said a moment ago that in Saskatchewan we are health conscious, but I believe I should not leave that only as a general statement. I recall a provincial election not long ago when a hospitalization plan was an issue. I recall listening over the radio to the recent election campaign in Ontario when the Liberals promised that if they were elected they would provide free hospitalization. I heard the leader of the Liberal party, Mr. Thomson, say over the radio that that would be done, and he referred to what was being done in Saskatchewan. Seemingly the people of Ontario were not ready for such a scheme, and I do not need to tell you what happened to that party.

I think if other provinces had a hospitalization scheme such as we have in our province it would be easier to put this across. I understand that the federal government have asked the provincial governments to give their opinions of such a scheme and so far only three have reported favourably. I hope I will be excused for talking so much about my own province, but I should like to quote what Dr. Taylor, director of the Saskatchewan health planning commission, had to say about an over-all hospitalization plan. An article which appeared in the Toronto *Star* reads:

> Dr. Taylor has suggested that this would depend on the answers to the following, among other questions:
>
> 1. Should it be a national scheme, on the British model, or should there be ten different schemes, evolved by the provinces?
>
> 2. Should professional associations have administrative authority? Should government funds be turned over to a profession or an association for distribution to its own members?
>
> 3. How shall health insurance be paid for? Should it be entirely or partly financed by the state? Should it be compulsory or voluntary? Which of the three levels of government should participate and in what proportion? Should individuals pay according to a flat rate or by graded income tax levy? Should employers contribute?
>
> 4. Should all services be provided from the start? If not, what should be included and what left out?

Dr. Taylor asked how health insurance would be paid for. I suggested how it should be paid for, and in my opinion that is the only way. I think his last question is possibly the best of all. I do not think even the hon. gentleman who moved the amendment could answer very many of those questions, and a great deal of consideration will have to be given to the matter. When the hon. member for Assiniboia (Mr. Argue) was speaking on this subject the other night he pleaded with the federal government to enact legislation to provide an over-all health plan, and I quote from page 153 of *Hansard* of November 27 where he is reported as follows:

> As a matter of fact, our people are so interested in the matter of health that even if this government should continue to delay the provision of health insurance, they are not going to stand still. It will be much more difficult, but, step by step, we shall add various health measures to our present hospitalization plan until finally, with or without the help of the federal government, we shall have a health insurance program established in that province.

I do not think the hon. member for Assiniboia will suggest that we in Saskatchewan have been getting no help from the federal government to put over our plan. Surely he knows that millions of dollars have been paid in the way of grants to assist in the building of hospitals and to provide other health services. The hon. member continued:

> But if we can obtain from the federal treasury, from the federal government, even so much as a hospitalization program in which we can participate, then the moneys which would be released from our own hospitalization program would indeed help us in the province of Saskatchewan to provide medical care, dental care and other health measures in a very short time.

I agree with the hon. member for Assiniboia that we can do lots of things; we can do many more things in the province of Saskatchewan,

if the federal government will collect the taxes and pay for them. The hon. member continued:

> I hear one of the Social Credit members say, "Go easy, now". That is exactly what his leader said to the government: "Go easy on health insurance". The Conservative party says, "let us have another conference with the provinces." Rather, in my opinion the people of Canada want action. If action is not forthcoming I believe the people of Canada will to a larger extent turn to the C.C.F., a party which when given the opportunity will provide a health insurance program for the people of all Canada.
>
> Mr. Fair: Tell them the truth.

I think possibly that is a good remark by the hon. member for Battle River (Mr. Fair) and perhaps it should be given more consideration. When the hon. member for Saskatoon (Mr. Knight) was speaking the other night on this subject he told us a very sentimental story about what was going on in our province. I take it that he was speaking of homestead days. He told us of people taking a chance to go out west, and he described how people had had to go to a grave on the side of a hill by lantern light in order to bury a mother and her unborn child who had died because of a lack of medical care. Touching as that story was, I think we will have to dry up our tears and advance toward our medical set-up for hospitalization in a very mannerly way.

I could tell a very short story, although not so sad, about what has happened in our part of the province. This will illustrate the difference between conditions in pioneer days and those that exist today. My parents went west some 45 years ago and I am told that 40 years ago last May my father rode horseback for some 27 miles during the night to get a doctor. I was not there when he left, but I was there when he returned. They tell me that I got here before the doctor got there. But that was 40 years ago. Today we have hospitals and doctors in our district and people are taken care of in a medical way. If we can advance in our medical set-up during the next 40 or 50 years as we have during the last 40 years we will be doing very well.

I have had something to do with doctors, as I was a member of the municipal council during the depression. When people have the money with which to pay their doctor bills everything goes along fine, but at times those who have not the necessary finances must be looked after. We sometimes hear that when such and such a doctor was called to such and such a place he would not operate or do anything until he found out whether the people had the necessary money. I cannot subscribe to that sort of talk at all. There may be one doctor in a million who would be mean enough to do such a thing, but I question even that. Sometimes I think the doctors are being asked to carry more than their share of responsibility, and possibly they have had to refuse to do certain things because they did not have the necessary funds. Possibly it was the municipality, city or town that was not living up to its responsibility to see that the doctors received some pay. A doctor can only go so long without receiving some money for his services. It is true that we sometimes figure that doctors charge fairly stiffly, but at the same time if we knew all the work they do for nothing I suppose we would not consider that on the whole it was too bad.

We also hear people saying that so and so did not go to a doctor for lack of money. Rather than being lack of money, I think in most cases it is carelessness. If I may be excused for citing myself again, I have an insurance policy and on three occasions in the last few years I have had a form sent to me by which I could go to any medical man and have a complete examination without it costing me a cent. It was not because of lack of money that I did not go, but just carelessness. However I promise, Mr. Speaker, that I will do better in the future.

An hon. Member: Before the next election.

Mr. Smith (Moose Mountain): Yes. We also hear about state medicine. I do not know that there is very much difference between state medicine and what is called for in the amendment to the amendment. I noticed that when the Leader of the Opposition (Mr. Drew) was speaking the other day he tapped his desk and said that one thing we do not want in this country is state medicine. I also notice that some of the Liberals tapped their desks too but I did not do so, because whether it is state medicine or national health insurance to me they are the same. You may water one down or dress up the other but they are the same thing. I do not think in a country like ours we will go on for many years before we head toward one or the other. No question about it; it is in the cards.

If I were asked—and I likely will be—when in my opinion further steps will be taken toward an over-all national health scheme the only way I could answer would be to say—and I think it would be an honest answer—that it will take place when our expenditures for defence become less. Today we are spending 50 cents of the tax dollar on national defence. When I am talking to my people about the budget I tell them that we break it into four parts. I refer to it as $4 billion although it is slightly more than that. I tell them there is a quarter of the budget for social services, a quarter for Doug

Abbott to run the country and the other half for national defence. It is my opinion that when the defence program drops off it might be well to undertake a national health scheme, but I am sorry to say that I cannot in any way support the amendment to the amendment at this time.

Although I am in sympathy with it I cannot support it because I think the taxpayer is carrying a big enough load at the present time. If I should happen to be a candidate in the next election I do not think I could convince the people of my constituency that I should come down here and vote for anything that would add another half billion dollars to their taxes. I could not do that.

I want to refer to the speech made the other afternoon by the hon. member for Spadina (Mr. Croll). I thought he made a very good address to the house. The hon. member for Regina City (Mr. McCusker) also placed many facts on the record, and I suggest that if anyone did not hear these addresses they should read them. If one does any thinking at all one will naturally do some thinking after reading them. The hon. member for Spadina suggested we should have a committee. I can support the idea of a committee because I believe there are many things we must consider including the questions of Dr. Taylor found in the quotation I read from the Toronto *Star*. These things must be considered.

The Leader of the Opposition suggested a dominion-provincial conference. I do not think that would be a bad idea either, because a lot of work is going to have to be done. I do not think we can dive headlong into any such scheme without giving it a great deal of consideration. I like the way the hon. member for Spadina summed up the whole question, and I should like to quote what he said when he gave the positions of the various parties, as found at page 339 of *Hansard* for December 4:

> The position of the official opposition is found at page 29 of *Hansard* for November 24:
>
> "For that reason there should be general agreement that the first and necessary step in dealing with this subject is to institute an inquiry which would be conducted by representatives of the medical profession, the hospital boards, the dominion, provincial and municipal governments."
>
> The position of the Social Credit party is found at page 56 of *Hansard* for November 24:
>
> "The Social Credit kind of national health program would ensure that sufficient doctors, dentists, nurses, technicians, clinics and hospital beds would be made available first to take on the work as the scheme is extended".

The leader of the Social Credit party made that statement and you can criticize it if you like, but I think it is worth considering. The hon. member for Spadina went on to say:

> In so far as the C.C.F. position is concerned, they say: "Health insurance here and now; we have had enough committees and surveys. What we want now is action".

The hon. member for Spadina goes on to say:

> It is obvious from the statements on the record, and we who are parliamentarians know exactly what all the parties mean. We can reach only one conclusion. The Liberal party is the only party that can bring health insurance to the Canadian people because the Tories won't and the C.C.F. can't.

We have had the positions of the various parties, but we have not had a spokesman for the government yet. I am hopeful that when the Minister of National Health and Welfare (Mr. Martin) returns he will tell us what the government has in mind with respect to this matter. I think we should move onward so far as the health plan is concerned. We may be going slowly, but I think we should go slowly so that when we build our national health plan we will build it on a foundation that will last. There is no sense in building it on stilts because it will fall over. I think the government should not pay too much attention to the amendment to the amendment, because if they increased the taxes of the people at this time by half a billion dollars then I believe the people of Canada should do the same thing to them as I suggested the people of my constituency would do to me if I helped load more taxes on them.

Mr. J. H. Ferguson (Simcoe North): Mr. Speaker—

Mr. Cruickshank: Go right to town.

Mr. Ferguson:—there are two very famous magazines which are internationally known. One is *Life* and the other is *Punch*. *Punch* is noted all over the world for its satire and wit. *Life* is known as a great magazine for depicting world news, in a very authentic manner as a rule. On November 17 I wondered whether *Life* was changing in an attempt to steal the position *Punch* has always held in the world as a witty magazine and a depicter of funny happenings. In that magazine I saw pictures of the great development of the Dominion of Canada in oil and iron, and I also saw a picture that was as nearly an old-fashioned tintype as anything I have seen in years. It was taken by a very famous photographer by the name of Karsh. There he showed the Prime Minister (Mr. St. Laurent), the Minister of Trade and Commerce (Mr. Howe), the Minister of National Defence (Mr. Claxton), the Minister of Agriculture (Mr. Gardiner), and the Minister of

Finance (Mr. Abbott), the five-man government of the Liberal party. He was giving them credit for all the great development of resources that has been taken place in Canada.

Some hon. Members: Hear, hear.

Mr. Ferguson: Let me tell you gentlemen that you had better go back to *Punch* and get something authentic as far as wit is concerned, because there is no wit in that one.

Mr. Dickey: You are doing all right.

Mr. Ferguson: It reminded me of what the old Kaiser used to say: Me und Gott, at least giving credit to somebody else, though putting him in second place. This magazine, however, does not give nature or the great Creator any praise at all. You would think that these five men of the government had put the oil and iron ore there and developed it. No credit is given to the provinces or to the millions and millions of dollars that have come into this country from our great neighbours to the south, the United States. These are the five men who have punched it through. One of the group in the tintype, the Minister of Agriculture, was in such a hurry to get in the picture that he could not even find a chair; he had to stand up.

What about the other cabinet ministers? Mind you, there is not so much humour in this as may appear. A lot of people in Canada read that magazine and I believe they will realize that this is a five-man government. There are other cabinet ministers—

Mr. Cruickshank: They will be in the next issue.

Mr. Ferguson: They will be in the next issue, to prove conclusively that the Liberal party is well divided.

Mr. Gibson: You are just thinking of the Social Crediters.

Mr. Ferguson: They have been pretty well split and, as far as I am concerned, I believe it has been a five-man government and it is the greatest example of planning in reverse that I have ever seen. We have the gifts of God in Canada, resources unlimited; and the Liberal government has been in power long enough to have planned and set the path for great development in this country.

Some hon. Members: Hear, hear.

Mr. Cruickshank: You said it.

Mr. Ferguson: I said they have been in power long enough to have planned and set the course, but they have not done so. There has been absolutely no concrete, positive planning by this government. This government has grown in spite of itself, in spite of the people. This country has grown in spite of this government—

Mr. Dickey: The humour is improving.

Mr. Ferguson: The men who developed this oil and these iron ore bodies went to the provincial authorities and, with their wisdom and knowledge of iron and oil, planned and conceived schemes to develop these resources of Canada. That was before they came here to ask this government for a charter. All the spade work and ground work had been done.

Mr. Cruickshank: We gave them a charter.

Mr. Howe: After a struggle.

Mr. Ferguson: We, as Canadians, must realize that this country today should have a population of at least 20 or 25 million.

Mr. Cruickshank: Hear, hear.

Mr. Ferguson: What have we got? Well, just look over the history of some of the junior planners on the second shelf of the cabinet, the Minister of Citizenship and Immigration (Mr. Harris) and all others except the five. What have they got to be proud about so far as planning is concerned? Today we are short of skilled labour in Canada. If the government had planned the development of the great resources of Canada, which was absolutely in their power, they could have had all the immigrants they could have brought here in five times the number of ships that have been used to bring immigrants to this country. There is even talk today of curtailment of immigration because of lack of planning. These people from foreign countries come out here and make great Canadians, but what happens? The Minister of Citizenship and Immigration says: We have to watch this carefully; there are no homes and no jobs, and there is no development.

That is the kind of planning that is done by this government. I certainly compliment the mover and seconder of the throne speech for making a good job out of nothing. The throne speech divulged nothing to Canadians at all. It gave us no encouragement about what this government proposes as far as this great country is concerned. As a Canadian, I am sick and tired of watching this great country creep along.

An hon. Member: Mostly tired.

Mr. Ferguson: I will say that I have seen the country creep under Conservative governments in the past, but this is the government in power today and this is the

government which makes this country creep along still. We are not here listening to our grandfathers in the House of Commons; we are listening to men who came here in 1949, and the people of Canada want them to carry out their promises for the development of this country. They do not want them depicted in *Life* magazine, the five of them, taking all the credit for the development of this country when it should go to private enterprise.

Mr. Stuart (Charlotte): Turn over the page.

Mr. Ferguson: I have three or four pages here. Do you know that this country is in such a state that there is a shortage of mortgage money for the building of houses?

Mr. Gibson: They have not asked you.

Mr. Cruickshank: A mortgage is the easiest thing I can get.

Mr. Ferguson: During the war, and after the war too, mortgage companies were told to invest their money in government bonds at 3 per cent. There was no demand for the development of houses and business structures at that time, so they bought the bonds, being promised by this government that they would be able to sell the bonds at par whenever they needed the money to develop the country and build the much needed homes. Now, what has happened? The bonds are selling at around $92 as against a par value of $100.

Mr. Gibson: Not at $92.

Mr. Ferguson: If they sell them they lose 8 per cent. You go to the mortgage companies today and you will find they are short of mortgage money for the development of Canada. That is an awfully sorry plight for Canadians to find themselves in. Young men come to me and say: I have saved $3,000. I have really performed a miracle. I have been able, in the last ten years, after I have paid these exorbitant taxes and boosted Abbott's surplus, to eke out $3,000 and I want to build a house for myself and family.

Mr. Gibson: Dig him a hole.

Mr. Ferguson: He says: I want to borrow $4,000—and just let me say this to you, British Columbia, you try to get that amount of money. That man has been thrifty, wise, hard-working, a good Canadian citizen; yet it is hard to get that man $4,000 to go with his own $3,000 or $4,000 in order that he may build a home in Canada today.

The Minister of Finance (Mr. Abbott) conceived the taxation of tobacco. He boosted the tax 3 cents. He is one of the five gentlemen depicted in the tintype in *Life*, one of the great geniuses and developers of Canada. What are the actual results of that brain wave? Here they are: Mr. Abbott predicted an increase in national revenue of $26 million, but instead he has lost money for the treasury. He has caused unemployment in the processing plants in southwestern Ontario and the factories in Quebec. He has decreased income by thousands of dollars all across the country.

An hon. Member: Bingo.

Mr. Ferguson: I have shown conclusively what has happened. I wanted to prove it to the interrupters who do not want to learn. They never get on their feet and tell you about anything they have observed that is wrong. I do not know whether they have had time to observe the progress of this country and its lack of guidance under this government; yet they are elected and come here to make inane remarks when somebody else is on his feet.

Some hon. Members: Hear, hear.

Mr. Ferguson: To prove that the Minister of Finance took a stab in the dark, here is what happened. Though tremendous pressure was placed upon him he made up his mind that he would do what he liked. "I will do it when I see fit, not because I do not believe it is wrong but just when I see fit. I am Minister of Finance; I advise my government." He took the tax off. Just what occurred when he took the tax off? Here it is. The chart definitely showed this. The present Canadian cigarette tax was approximately 22 cents per package of 20 as against 8 cents in the United States. When the minister took that added tax off, here is what occurred. This chart shows a spectacular increase in the consumption of cigarettes following the removal of the 3 cent tax in April, 1952. It covers the six months from May to October inclusive. The minister predicted a revenue loss to the treasury of $10 million. What happened? When the tax was cut by 3 cents, he gained $10 million in the period from May until October. Talk about stabbing in the dark.

Not long ago in this house the Prime Minister said that a cabinet minister cannot be held responsible for this or that any more than can a member of the Boyd gang. He even brought Kingston inmates and murderers into it, and said, "Do not compare us with them". But he wants to take the credit, from *Life* magazine, from the thing which provides that profit. He wants to take all the credit from the premiers of the provinces for their work for the five-man cabinet. So let him take credit for this one, for one of his associates in that cabinet whose predictions were out $10 million one way, on reverse planning; and then when he took this tax off

and said he was going to lose $26 million, he was out again. But not only is he out; the people are out. I do not mind what he is out, but I certainly object to what the people of Canada are out. It is the people I am thinking of. Those are the people I am sent here to represent. Some of these men do not realize that they are sent here to represent the people, but I do. I represent a large group of tobacco growers. I have seen these women walk out of those tobacco fields in their bare feet after working from sun-up until six o'clock. One woman said to me, "A horse wouldn't do it" and she broke down and cried. That effort—these are realistic figures—is worth $215 million to Mr. Abbott's coffers. Just let us get down to earth. There will be an election. There is no doubt about that.

An hon. Member: When will it be?

Mr. Ferguson: I hope it will be in the fall of 1953. I hope the people of Canada read *Punch* and realize that their puns and their jokes are well thought out. But when *Life* tried to step into the same field, it certainly made a mess of wit and humour, and sincerity. Either that or there is more behind the article and the tintype picture than I can see. But I believe it was a sincere effort to try to misguide the people of Canada into thinking that these smart geniuses had been responsible for all the oil development and the great iron ore development across our country. In the fall of 1953 I am sure that the people of Canada will show that they do not believe the article in *Life*, that they realize the way in which they have been burdened with taxes, and will see to it that the newly decorated opposition caucus room will be occupied by a few gentlemen only who are now sitting on the government benches.

Mr. H. P. Cavers (Lincoln): Mr. Speaker, my first words must be of congratulations to the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne. I was amazed at the facility with which the hon. member for Brome-Missisquoi moved from English into French and back into English again. I would certainly be pleased to be able to speak in the manner in which he spoke in his first address in the House of Commons.

I was indeed proud of the hon. member for Waterloo North, who is a worthy successor to a man who was one of the most popular members of the House of Commons and who is now acquitting himself in a most distinguished manner in another sphere of public service in this country. I was particularly impressed with the remarks by the hon. member for Waterloo North with regard to pensions for the blind. I agree with the opinion he expressed in his speech in this house, and believe that the means test which is imposed on the $40 per month pensions for the blind should be abolished.

Blind people bear a heavy burden. They assume that burden and bear it admirably. They are less able to supplement their incomes than are those pensioners who are senior citizens over the age of 70, and who are not subject to the means test. Those blind people have acquired the initiative and the courage to develop their talents and skill, thus providing themselves with congenial occupations. It seems to me that an act which stipulates that a single person may not earn more than $840 a year and a married person not more than $1,320 a year discourages initiative and employment. I might say that I am in accord with the sentiment expressed in this regard by the hon. member for Waterloo North.

Most Canadians are pleased that the Prime Minister (Mr. St. Laurent) and the Minister of Finance (Mr. Abbott) have gone to London to attend the conference of commonwealth ministers. We wish them well. We hope they will devise a scheme for the conversion of pounds sterling into Canadian dollars in order that our trade relations with the United Kingdom may be restored. In this country we have the products that are required in Great Britain, and I am sure we all hope they will return to this house later this week with a satisfactory arrangement that will bring prosperity and a flow of trade from Canada to the United Kingdom.

News that the Minister of Trade and Commerce (Mr. Howe) will lead a good-will trade tour to South and Central American countries has been met with great enthusiasm by businessmen in this country. I am informed that this trade mission will visit nine countries. The principal purpose of the mission is to aid in the development of trade between Canada and the countries visited, and to strengthen our general relations with those countries.

Canada has benefited from previous trade missions to South America, Mr. Speaker. In 1941 Hon. James MacKinnon headed a delegation to South American countries. Again in 1946 he returned to eight countries in South and Central America. In 1939, before the trade mission went to South American countries, our aggregate trade with those countries was $27 million. After the two visits by the trade mission, in 1951 our aggregate trade had reached $404 million. I know that the mission headed by the Minister of Trade and Commerce (Mr. Howe) is in good hands, and he will take with him leading

businessmen who will strengthen our position in those South American countries.

My fellow citizens in the county of Lincoln will be gratified to hear that the St. Lawrence-great lakes scheme and power development will commence immediately. We need power in our area to keep the great industrial machine moving, and we can only make the most of the great Welland ship canal, with its 27-foot channel, by eliminating all the bottlenecks and providing for a great waterway leading from the Atlantic seaboard to Port Arthur and Fort William. I see a great growth in industry in the completion of this plan.

This fall I had the honour of assisting, with the present Secretary of Defence of the United States, in the opening of the new McKinnon foundry along the banks of the Welland ship canal, and this is only the forerunner of many more industries to be located in that area. It is the establishment of plants such as these that are providing full employment for the people of our district. I should like to refer for a moment to a speech delivered by the hon. member for Middlesex East (Mr. White) on November 25, 1952, as reported at page 89 of *Hansard*. He is reported to have said:

> People do not mind paying for aeroplanes, guns and other supplies for our troops, but I think the people of Canada are getting sick and tired of this arm chair army for which we are buying supplies.

I assume that the hon. member was not referring to the troops who are now serving in Korea; for we are all aware of the great difficulties, the serious weather conditions and the hardships they are enduring there. I am sure he would not be referring to the three destroyers that have been carrying out their battle duties at sea on a rotation basis in Korean waters, or to the Royal Canadian Air Force which has carried on in a fine manner in taking troops to Korea. The 27th brigade in Germany have established a fine record for themselves there, and I refer only to two or three quotations in newspapers to show what the editorialists feel about our Canadian troops. I refer first to the *Globe and Mail* and an editorial on October 18, 1952, headed: "R.C.N. destroyer leads raid on Korean coast".

> Censorship has just permitted disclosure of the fact that the *Iroquois* directed a four-nation amphibious assault in September that killed and wounded 200 enemy troops and knocked a hole in the communist defences along the western shores of Korea.

I refer also to the Sudbury *Star* of October 15, 1952, headed: "Boosting Canadians".

> No greater praise can be given to Canadian airmen than that expressed by Britain's vice-chief of the air staff, Air Chief Marshal Sir Ralph Cochrane, following the Canadian participation in a nine-day test of that country's air defences.
>
> "The Canadians are excellent airmen. They have done very well indeed in this exercise", commented Sir Ralph.
>
> Young Canadian airmen are "making their mark" on international air fronts and when praise comes from Britain's air chiefs, it is praise not to be lightly regarded.

Lastly I would like to refer to the Montreal *Daily Star* of September 3, 1952, which says:

> In Germany, Canada's 27th infantry brigade, commanded by Brigadier Geoffrey Walsh of St. Catharines, Ontario, has just completed its first full-scale manoeuvres in which the training of the past ten months was put to rigorous test.
>
> Military observers said the manoeuvres were an unqualified success and showed that the Canadian NATO brigade now formed one of the main defence posts opposite the iron curtain. New, roomier quarters are under construction for the brigade at Soest near the Rhine, but for the present the troops will remain at Hannover, where they are extremely popular.

Now, Mr. Speaker, I wish to refer to three men who were raised in the county which I represent. One: Brigadier Geoffrey Walsh, C.B.E., Canada's commander of the 27th brigade in Germany. Brigadier Walsh was an outstanding recruit at the Royal Military College at Kingston, and on graduation joined Canada's active army, went overseas and served in a theatre of war during the whole of the second world war. After returning from overseas service he continued as a member of Canada's permanent force, and now has assumed command of the 27th brigade in Germany. Two: Captain Herbert S. Rayner, who occupies a high place in the Royal Canadian Navy. Captain Rayner originally graduated from the Royal naval school of gunnery at Whale island. He returned to Canada as a member of the Royal Canadian Navy, and served on fighting ships during world war II. He is now commanding officer of H.M.C.S. *Magnificent*. Three: Group Captain Leonard J. Birchall is another prominent member of Canada's armed forces, and is now director of planning of the R.C.A.F. at Ottawa. He was known during the war as the saviour of Ceylon, having warned of enemy troops about to attack that point. He was confined as a prisoner of war in Japan. Therefore, Mr. Speaker, I believe we have not an arm chair army, and that these men are not arm chair generals. I salute each of the three.

I should now like to refer for a few moments to the words of the hon. member for Eglinton (Mr. Fleming) which were spoken in this house on November 26 last, as reported at page 114 of *Hansard*. Speaking of defence expenditures he said this:

> There is no possible way of explaining or justifying expenditures on this scale except that they are being made now with a conscious view toward making friends for this government.

I live in an industrial community. It is true that many orders from the Department of Defence Production have come to this area. They have been awarded on a competitive basis; they have been awarded to people who are able to do the job. We have a well-geared industrial capacity, aided by conscientious, experienced workers, ready, able and willing to do the job required of them. That is why they have received contracts in our area.

Contracts for over $50,000 have been awarded to such firms as Metal Craft Company of Grimsby; Canada Hair Cloth; ETF Tools Limited; Genaire Limited; Grout's Limited; Guaranty Silk Dyeing and Finishing; Thompson Products; Conroy Manufacturing Company Limited; Foster Wheeler Limited; English Electric Company Limited and Newman Brothers, Limited. Other smaller transactions to local firms have been to subcontractors such as Hayes Steel Products; Court Radiator Plant Limited; McKinnon Industries Limited; Anthes-Imperial Company. I would ask the hon. member for Eglinton who are the friends or favourites of the government in that list? Will he tell us? I would like to know, because so far as I know these people have been awarded their contracts on grounds of merit and because of their ability to do the job.

Yes, it is a fact that the county of Lincoln, which I represent, has received defence work worth approximately $11 million in the last 18 months, and much of this money remains in that county. But those contracts were awarded in a fair and businesslike manner. I know they have provided employment for the people of that area, and I think that in fairness to the Minister of Defence Production (Mr. Howe) and the officials of his department it should be made known, and made clearly known, that one hundred cents in value has been received for every dollar spent.

I should like to associate myself with those who have spoken in the debate in favour of the appointment of a joint parliamentary committee to investigate all phases of a national system of health insurance. I do not say I am in favour of an immediate plan to provide for such a system. Many citizens are now protected by various plans such as Blue Cross, and physicians' and surgeons' services but there are others who have not been able to bring themselves within this classification.

I do not favour state medicine. It is my view that patients are entitled to have the doctor of their choice. This may not be the time to carry out such a program. As a matter of fact it is my belief that, in the light of the many heavy and necessary expenditures that must be made, such a scheme could not be embarked upon at this time. This is a problem requiring great study, one that demands the attention of members in all parts of the house. It is with that in mind I state my belief that the appointment of a committee to investigate and study the problem thoroughly would be in the interests of the country. I am sure it would be the desire of all that no one among the sick, injured or infirm should suffer through lack of medical attention or hospital treatment. I feel therefore that we should put forth our best endeavours to see that the problem is studied, and studied carefully, so that a serious and detailed report may be brought before the house.

On motion of Mr. MacInnis the debate was adjourned.

On motion of Mr. Howe the house adjourned at 9.55 p.m.

HOUSE OF COMMONS

Tuesday, December 9, 1952

The house met at 2.30 p.m.

CROWN LIABILITY

TORTS AND CIVIL SALVAGE

Hon. Stuart S. Garson (Minister of Justice) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure respecting the liability of the crown for torts and civil salvage so as to place the crown in substantially the same position as a private person as regards liability for (a) torts committed by servants; (b) torts, arising out of breach of duty attaching to the ownership, occupation, possession or control of property; (c) damages caused by a motor vehicle upon a highway, and (d) civil salvage, and to permit certain actions to be taken against the crown in the provincial courts.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

POST OFFICE

DEPARTMENTAL ADVERTISING

On the orders of the day:

Mr. Gordon Graydon (Peel): I should like to direct to the Postmaster General a question of which I have given him notice. Is the special pre-Christmas advertising of the Postmaster General's department going to all of the weekly newspapers across Canada? If not, what policy is followed in this respect?

If the Postmaster General answers this question perhaps he might include in his answer what policy is being followed with regard to year-round advertising of the same department.

An hon. Member: Put it on the order paper.

Hon. Alcide Cote (Postmaster General): I regret that I did not receive any notice of the question, but I shall be glad to take it as notice and will give an answer in due course.

Mr. Speaker: The first part of the question is in order at this time; the latter part of the question would not be in order at this time.

RADIO BROADCASTING

INTERNATIONAL SERVICE—POLAND

On the orders of the day:

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, yesterday the Leader of the Opposition (Mr. Drew) asked a question which was as follows:

I should like to ask a supplementary question. Can the minister inform the house whether a gentleman of Polish extraction or Polish stock has been engaged for the purpose of starting such a program? If so, what is his name?

He had reference to programs to Poland. The answer is that no one has been engaged to start a Polish program for the international service or to advise on possible Polish progress.

CANADIAN BROADCASTING CORPORATION

BISHOP FULTON SHEEN—INQUIRY AS TO TELECASTING OF PROGRAM

On the orders of the day:

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, I should also like to answer a question that was asked by the hon. member for Macleod (Mr. Hansell). The question was:

Has Bishop Fulton Sheen or have his sponsors applied to the Canadian Broadcasting Corporation to have their program telecast? If so, has the application been refused? Would the minister care to make a statement with respect to the application?

The answer is: I am advised that the C.B.C. has made no final decision regarding acceptance of the television program of Bishop Sheen sponsored by an advertiser. The C.B.C. has asked for the opinion of its national religious advisory council on the matter. The council has considered the question, but has not yet given a definite opinion. When it does, which is expected very shortly, the C.B.C. will take a decision.

OLD AGE PENSIONS

ISSUE OF CHEQUES PRIOR TO CHRISTMAS

On the orders of the day:

Mr. E. A. McCusker (Parliamentary Assistant to the Minister of National Health and Welfare): Mr. Speaker, the hon. member for

Inquiries of the Ministry

Hamilton West (Mrs. Fairclough) inquired yesterday as to the issue of old age security cheques prior to Christmas.

With your permission, Mr. Speaker, I shall give the answer now.

It is planned to issue these cheques a day or two before the end of the month, just as is the custom in all other months of the year. There are a number of reasons why the decision was made to stick with the usual practice to issue old age security cheques at the end of the month, even in December.

(1) To issue them at an earlier date would leave a longer than usual gap between pension payments in December and at the end of January. This would undoubtedly prove confusing to numerous pensioners and would cause considerable correspondence.

(2) Experience has shown that any marked alteration in the date of issue of cheques is followed by a wave of correspondence the next month and by great pressure of telephone calls where our offices are in principal cities, as in Toronto for example. If cheques were issued on the 20th of December, for instance, thousands of pensioners for some reason or other would expect them to be issued on the 20th of January, and so on.

Mr. Knowles: Why not?

Mr. McCusker: (3) The mechanical side of the issue of cheques has also to be considered. In all our offices the issue of old age security cheques is closely tied in with the issue of family allowances cheques. It would be most awkward to have to try to get both family allowances cheques and old age security cheques issued by the 20th or 22nd of the month. Our custom is to prepare all family allowances cheques in the first half of the month and the old age security cheques in the latter part of the month. In an office such as Toronto, where more than 600,000 family allowances cheques are prepared, and where about 250,000 old age security cheques are also issued, it is most important to spread the load evenly throughout the month.

(4) Finally, we have been under considerable pressure from the Post Office Department to keep down the volume of mail going out just before Christmas. The issue of nearly 700,000 old age security cheques just before Christmas would add appreciably to the volume of first-class mail and might well mean the loss, misplacement or delay of pension cheques with resulting hardship to pensioners.

On the whole it is felt that the interests of all, pensioners not the least, would be best served by maintaining the usual date of issue at the end of the month. It is the intention to get the cheques out so that, if at all possible, they will be received just before New Year's day.

Mrs. Fairclough: May I ask this supplementary question: Has the department taken into consideration the fact that the pensioners have been in the habit of getting these cheques before Christmas?

Mr. McCusker: Pensioners have not been in the habit of getting them from the federal government. When the provinces issued cheques, under the means test regulation, three of the provincial governments sent them out prior to Christmas. The other provinces adhered to the procedure we are following.

Mr. Graydon: Are you keeping government circulars out of the mail at Christmas time?

FISHERIES

LOBSTER CANNING REGULATIONS

On the orders of the day:

Mr. W. Chester S. McLure (Queens): Mr. Speaker, I should like to ask a question of the Minister of Fisheries. What changes, if any, were made or discussed in the lobster canning regulations at the maritime meeting held on Monday, December 8?

Hon. James Sinclair (Minister of Fisheries): Mr. Speaker, my predecessor in office, Mr. Mayhew, followed the procedure of having very full discussions with the fishing industry and fishermen in the matter of any proposed change in regulations. In line with that policy a meeting was held in the Department of Fisheries on Monday, December 8, 1952, with delegates representing the lobster processing industry for the purpose of discussing proposed amendments to the regulations under the Meat and Canned Foods Act, governing the inspection of canned fish and shellfish, and the operation of canneries.

A brief was submitted to the department, recommending certain changes regarding the compulsory inspection of fresh and frozen lobster meat. These recommendations are at present being considered by the department.

Proposed amendments to the regulations regarding weight designations for canned lobster and fresh and frozen lobster meat were also discussed. The discussion was most harmonious. Any change in regulations will be announced in the usual way.

IMMIGRATION

REQUEST FOR REPORT CONCERNING IRREGULARITIES

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I should like to ask

a question of the minister of immigration. Is the minister in a position to report to the house what steps have been taken in connection with the disclosure of fraudulent conduct which was discussed in the house last session, and in respect of which we were informed inquiries were being conducted, and that action would be taken.

Hon. W. E. Harris (Minister of Citizenship and Immigration): Yes. The charges against five or six people are now being prepared, in consultation with the Department of Justice. I think—although this is my own opinion—that they will likely be laid in the course of the next month, at the outside.

CANADIAN NATIONAL RAILWAYS

ASSESSMENT OF INCOME TAX ON PENSION FUND REFUNDS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask a question of the Minister of Transport. Will the minister take up with his colleagues, the Minister of Finance (Mr. Abbott) and the Minister of National Revenue (Mr. McCann), the request of employees of the Canadian National Railways that pension fund refunds, now being received, be taxed not as income in 1952 but on the basis of amended returns for the years in which the payments being refunded were actually made?

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, I received notice of this question just as I came to the house, and I read it as carefully as I could in the time I had at my disposal. It is a novel kind of question, inasmuch as it is not so much a question seeking information as one which asks me to make representations to two of my colleagues about a certain matter.

All I can say to the hon. member is that, so far as I can recall, I have not received representations from the general chairmen's association on the subject. I may have, but I have no recollection. If I have not, and the general chairmen's association will make representations to me, I shall give them the consideration I think they deserve.

Until that time, however, I think this is the kind of question which should be addressed to my colleagues, either of national revenue or of finance, on its merits—and not on the question of representation, as my hon. friend suggests.

Mr. Knowles: My reason for asking the Minister of Transport was that I thought he would be ready to support the case of the Canadian National employees in connection with this matter.

Some hon. Members: Order.

Mr. Speaker: Orders of the day.

PUBLIC BUILDINGS

CHARLOTTETOWN—FEDERAL BUILDING

On the orders of the day:

Mr. W. Chester S. McLure (Queens): Mr. Speaker, I should like to ask a question of the Minister of Public Works. Are the plans and specifications for the oft-promised dominion building at Charlottetown being completed? If not, why?

Hon. Alphonse Fournier (Minister of Public Works): Mr. Speaker, the way this question is drafted, I believe it deserves a special answer. It asks first: Are the plans and specifications for the oft-promised dominion building at Charlottetown completed? First of all, it is known that the hon. member has promised that building for a long time, and he is having trouble to implement that political promise.

Secondly, the plans are not completed.

Then he asks: If not, why? Well, we are trying to make perfect plans for a perfect building at Charlottetown.

Mr. McLure: It is strange, is it not, that the plans are not completed, when—

Some hon. Members: Order.

Mr. Speaker: Orders of the day.

FERRY SERVICE

WOOD ISLAND-CARIBOU—FEDERAL AID

On the orders of the day:

Mr. W. Chester S. McLure (Queens): Mr. Speaker, it is my pleasure to direct a question to the Minister of Transport. Has the Canadian maritime commission reported to the minister with reference to federal aid for improvements to the ferry service between Wood Island and Caribou, the connecting line between Prince Edward Island and Nova Scotia? If not, why not?

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, the answer to the question is no.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, December 8, consideration of the motion of Mr. J. L. Deslieres 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. Angus MacInnis (Vancouver East): Mr. Speaker, as I listened during the past two weeks to hon. members who have participated in this debate I had the feeling that though we represent different political and economic schools of thought and disagree on many subjects there is one thing on which we all agree, that is that we are most fortunate to be living in this favoured land.

We are continually being told of our expanding economy, of our increasing national income and our rising standards of living. To a large extent what is said in that regard is true. Canada is a rich country; there can be no doubt about that. At no time in our history have we been more prosperous than we are today. However, as I see it, there is a fly in the ointment of our prosperity. It may not be a very large fly, but still it is there and it does those things which a fly in the ointment is supposed to do.

Our wealth is not equitably distributed. I have not in mind now a system where everyone gets an even share of the wealth. What I have in mind is the fact that a few of our people have a great deal more than they need, indeed, a great deal more than is good for them. The great mass of our people have enough, as the saying is, to get by on. But a considerable number of our people suffer acutely during a great portion of their lives because of a lack of the very essentials of life.

I do not think that that should be so in a rich country such as this where we have all the means of preventing it. This afternoon I am going to take advantage of the opportunity which this debate offers to draw to the attention of the government and the House of Commons the plight of certain groups among us who are not aware that they are citizens of the richest country on earth. I know that they see the prosperity parade going by but they themselves have no part in it.

The first group I want to mention has been mentioned here many times before. I refer to the recipients of war veterans allowances. In *The Legionary* for December, a copy of which I presume all hon. members have received, is an article by the editor which ought to be "must" reading for members of the government and indeed for Liberal members generally. It is entitled "The Case for W. V. A. Increases". The writer outlines some of the conditions under which some of those who are in receipt of war veterans allowances exist.

He refers to one Ottawa veteran, a man who enlisted and fought in the first world war, was wounded and gassed, as a result of which he has suffered ill health since 1918. This ill health did not prevent him from working altogether but it did prevent him from holding a job very long. He lost one job after another. His wife is also in poor health. His last job was with the Department of Public Works and he stayed there for quite a long time, for jobs of that kind, nearly ten years.

He and his wife are bringing up a grandson. He applied for and received a war veterans allowance. He is living in what they term a two-room basement suite, but from the conditions described I would call it a cellar, as it is seven feet below the pavement. It was originally used to store coal, which of course was removed before this man and wife and grandchild moved in.

This man is receiving a war veterans allowance of $90 per month and they receive an additional $5 per month as a family allowance for the child. They spend $25 per month on rent, $60 for food, $4 for gas for cooking and $4 for Blue Cross. It will be noted that this man even with his meagre income is making provision for sickness, for doctors' attendance and hospitalization. Then he pays $2.36 for insurance, making a total of $95.36 or 36 cents more than his total income.

The writer in *The Legionary* points out that this does not leave room for things such as books, a radio, clothing, china, replacement of furniture and the hundred and one things that most of us consider absolute essentials of present-day life.

Perhaps it would not be fair to say that this case is typical, but it is not an isolated case. It indicates quite clearly that the war veterans allowance at the present time is not adequate. The article refers to a survey which the Legion carried out across Canada, and states:

> In case after case, food and rent devour three quarters of their budgets. In a dozen cases, they report they are living in shacks, others in cabins or in cottages. They live in single rooms, in homes that frequently need repair, live with relatives and friends. One totally disabled veteran lives with his wife and three children in three basement rooms.

And so on. Over a period of time the Legion has made representations to the government and to the veterans committee that dealt with this matter. I believe that they are asking for $60 a month for single veterans and $120 a month for married veterans. I think any hon. member of this house who will consider the present cost of living is bound to say that the Legion is most modest in the demands that it makes, that no single man could live decently today on $50 a month, nor could any married man and his wife live

decently on $90 a month. I say it is a disgrace to us who live in Canada, a country as richly endowed as ours, that these things should exist.

There is another still smaller group to which I wish to refer. I have in mind those receiving the blind persons' allowance. I am not going to say very much about them. If my memory serves me right, there are only about 12,000 in Canada altogether, but I believe they are entitled to our particular consideration because of their infirmity. They are entitled to more thought and sympathy than we would perhaps give to less handicapped people. I think I can put the case best as I see it by reading from an article that appeared in the Vancouver *Province* on April 14 of this year. The author is Mr. D. A. McGregor. I do not know whether he is a columnist or one of the editors of the paper. He has this to say:

> If an ordinary individual has an income of $1,000 or less, he is not required to pay any income tax. The assumption is that he isn't financially able to do so. But if a blind person on a pension dares, by his own efforts, to push his income beyond $840 the same compassionate law which awards him the pension will take everything beyond $840 away.

That is the way it is, and put that way it is most striking. Then he goes on to deal with the married blind person as follows:

> The Income Tax Act assumes a married couple need $2,000 a year. But if the married blind pensioner, or his wife, adds more than $360 to the pension, and brings the family income over $1,320 he too will have the excess deducted. The money is not taxed away, but it is lifted from the pensioner's purse as effectively as if it were.

So far as those on the blind persons allowance and those on war veterans allowance are concerned, I say that we should remove at once the limit on their outside income. Why in the world should a person on war veterans allowance be restricted to earning not more than $10 a month? You know, that is not only bad for that person but it is bad for everyone. Work is good for a man. It adds to his self-respect and self-esteem. It makes him a better citizen, and I cannot see who would be hurt if we allowed a person receiving the war veterans allowance to earn $50 a month. No one would be hurt and everyone would be better off including, I am sure, the government because the standard of citizenship in this country would be improved.

There is one class comprising quite a number of people, although not very large, with which I wish to deal. I refer to the superannuated federal civil servants who are living on a very small income which they put aside with the assistance of the government at a time when the amount of the pension they now receive meant a great deal more than it does today. I do not believe we should say that we have no responsibility for these people. After all, they are citizens of Canada who gave service to Canada during the years when they were able to give service, and if what they put aside during those years is not sufficient today to provide anything like a decent standard of living that is not their fault. If there is fault then it is our collective fault, and collectively we should remedy it by making further provision for them.

The number of people involved and the amounts they receive have been put on the record so often by the hon. member for Winnipeg North Centre (Mr. Knowles) that perhaps I should not take the time of the house today to repeat this information. However, I will put some figures on the record and those I wish to quote are as of March, 1952. There are 1,106 receiving less than $20 per month. From $20 to $29.99—let us say $30 because it is simpler—there are 1,365. From $30 to $40 there are 1,417. From $50 to $60 there are 1,384 and from $60 to $70 there are 1,017. There are approximately another 4,000 who receive from $80 to $100. All these people, and particularly where there are dependents involved, are not receiving sufficient income—and I say again through no fault of their own—to be able to provide themselves and their dependents with a decent standard of living. During this session of parliament, while our economy is booming, is the time to take action in all the cases I have mentioned, and I hope that those responsible will remedy these defects and enable these people to partake of the prosperity which is a part of the life of most citizens of Canada.

I now wish to say a few words with respect to the amendment to the amendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell) which urges that at this session of parliament a measure be introduced to provide for national health insurance. In listening to the speeches and the references to this matter I have found that there is very little opposition in the house to such a program. There has been a little double talk but as far as I have been able to see there is no general opposition. I believe there was one speaker who opposed national health insurance. Today it is something that is accepted in every civilized country as an essential part of their social security legislation. Some members said they were going to vote against the C.C.F. amendment because it proposed state medicine.

Really, I don't know what state medicine is. No one has told me during this debate, but, if they have read that into the amendment, they have read a great deal more into

the amendment than is in it. After all, what does the amendment do? It does not outline any system of health insurance. It asks this government at this session to introduce a measure for national health insurance. What that measure would be would depend on the kind of legislation this government would introduce.

May I just say in passing that I have been in this house for some considerable time and, looking at these matters objectively, I am sure that this group would give its support to any measure—no matter what we considered or thought of it ourselves, and whether we thought it was what we would do or not, but we would support any measure that we considered to be in the interests of the people of Canada. We would consider it on its merits and we would not boggle at whether there was this in it or that in it if we felt it would serve the people of this country. Those who say that they are opposed to the amendment because the C.C.F. wants state medicine are just talking through their hats.

The hon. member for Lanark (Mr. Blair)—and I may say here that there is no man in this house for whom I have greater respect—got himself all balled up over this question, largely, in my opinion, because the hon. gentleman is himself in favour of national health insurance, though he is not quite sure that the party to which he belongs is in favour of national health insurance. In the course of his speech, the written and the oral one, he has made two or three proposals and concludes by saying that he is opposed to the C.C.F. amendment and is going to vote against it because it is state medicine. I just suggest to him that whether it is his party or the party now in power that brings in a national health insurance measure—as I said before, whether it completely agrees with what we have in mind or not—if it will serve the people of Canada we will support it.

By the way, the member for Vancouver South (Mr. Laing) said that he too was opposed to state medicine and I noticed that when he said that he looked towards this group. I think that what differentiates so-called state medicine from ordinary health insurance, or what my friends would consider satisfactory health insurance, is the question of whether doctors are on salary or on a fee-for-service basis.

Mr. McCann: Regimentation.

Mr. MacInnis: I did not hear what the Minister of National Revenue said.

Mr. McCann: I said it means regimentation.

Mr. MacInnis: It means regimentation? I really do not know what that means in regard to medicine at the present time. If my hon. friend has ever had to go to the outpatient clinic at a hospital in one of our big cities and wait around sitting on a bench until someone came to feel his pulse and look at his tongue—

Mr. Graydon: He sits inside.

Mr. MacInnis: —he will understand what regimentation is.

I have been reading something on this and I have noticed that where doctors themselves set up an institution for medical service, let us say such as the Mayo clinic at Rochester, Minnesota, the doctors in the clinic are on a salary basis while the patients are on a fee-for-service basis. I have in my hand a copy of the *Atlantic* magazine for December and there is a very informative article in it by Dr. James Howard Means, who for twenty-seven years was professor of clinical medicine at Harvard university and chief of medical services at the Massachusetts General Hospital. I will quote just what Dr. Means says in this regard:

> Altogether it is my belief that the best method of paying the doctor is by salary—best for him and best for his patients, provided at least that some safeguards against overloading are included.

I do not need to go farther in that regard except to mention once again what I have said before. We had, as far as I know, no particular method of health insurance in mind because we did not give it that kind of study.

Before I leave the point, the member for Spadina (Mr. Croll) made an excellent speech on this subject. Really it could not have been better except that although he wants health insurance he does not want it now. We need it "terrible bad"—but not so badly that we should have it now. We should first have a committee. Now, I want to tell the member for Spadina that this group has asked for a committee. As a matter of fact we have not only asked for a committee but we have been promised a committee. We were promised a committee on health insurance by the Minister of National Health and Welfare (Mr. Martin) for the first session of 1952. It is because the Minister of National Health and Welfare had another thought and decided not to go ahead with the committee that we have now said that, if they will not give us a committee, the people of Canada are entitled to national health insurance. So there is not much point in saying now that what we need is a committee.

I am not opposed to committees; they do good work. I have been on a number of them and I know they do good work. Suppose a committee is set up now—a joint committee of the House of Commons and the Senate, how would we

proceed? We would ask the Department of National Health and Welfare to get us information from various countries on what has been done in that regard in those countries. Everything that would come before us would come from the Department of National Health and Welfare. The members of the committee would express opinions, favourable or against, but everything that we would discuss would come from the Department of National Health and Welfare—and everything that it could bring to a committee it could use now in preparing a measure to bring before this house.

Mr. Knowles: They have it now.

Mr. MacInnis: I would not be surprised. My hon. friend from Winnipeg North Centre (Mr. Knowles) says they have it now. In certain parts of this country we have gone some little distance in providing health services. In the provinces of Saskatchewan and British Columbia there is fairly complete hospital service—that is about half of the services required in a national health insurance plan.

I am going to read to the house two short items in regard to the British Columbia hospital insurance service. When I got my bill for the year 1953 the other day I found enclosed with it a personal message from the provincial minister of health and welfare, Hon. E. C. F. Martin.

Mr. Knowles: Any relation to Paul Martin?

Mr. MacInnis: I do not know, but I do not think it matters. I shall read only a short paragraph from this note. He says:

> Your enclosed billing is more than a bill which should be paid.

I believe this statement was thought necessary by the fact that in British Columbia hospital insurance is compulsory. I understand the present government is opposed to compulsory hospital insurance.

Mr. Laing: Both ways.

Mr. MacInnis: Perhaps there is some confusion as to what they favour, and also as to what they are opposed to. I understand it works out something like this. So far as the member for Vancouver South and I are concerned, we may pay our own hospital insurance premiums—as I assume the member for Vancouver South does and I do—but it is not compulsory that we should. We will be sent a bill, but we will not be compelled to pay it.

Mr. Laing: They pray you to pay it.

Mr. MacInnis: However, if we happen to be employees in an industry in which there is a payroll deduction plan, then they are going to see that the deductions are made every month or so. However, I was not going to refer to that.

Mr. Low: The compulsory part was inherited from the old Liberal regime.

Mr. MacInnis: The hon. member for Peace River (Mr. Low) says that it was compulsory under the former government. If the present government is not going to make it compulsory, I suggest to them they make it non-compulsory for the employee as well as for the other fellow.

This note says:

> Your enclosed billing is more than a bill which should be paid; it is your peace of mind in the event that you may have to go to hospital; it is your protection against high hospital bills which could ruin your finances;

I know some finances which it would not take much to ruin.

> It ensures that the best hospital care is available; it provides the best answer to the problem of acute hospital care and accommodation.
>
> In short, when you pay this bill, you are investing, at less than 11 cents a day, in your most precious possessions—good health and freedom from hospital bills.

I do not think that any government should be ashamed to make a thing like that compulsory. I believe a government that does not make it compulsory is delinquent in its duties.

There is another item I want to read, merely to show the general opinion in my province in regard to health insurance of which, as I said before, this is a very essential part. I have here an editorial from the Nelson *News*, and I regret that I did not put a date on it. I believe it appeared about two days before the provincial election, which would be about June 10, 1952. The editorial reads:

> Hospital insurance service is giving hospitalization to those who need it probably as cheaply as it is possible to do so. This is a fact easily recognized by those who have had to foot hospital, X-ray, therapeutic or laboratory services and drug bills in the past. Moreover, because it is supported chiefly by direct payments we know what it is costing, avoiding the necessity of additional hidden taxes.
>
> The service and coverage has its faults. But the introduction of any scheme of its scope is likely to initial hesitancies and errors. There is no need to excuse them, but sensible people who have something good can always correct faults to make it better. In the meantime,—

This is what I want the members of this house to notice.

> —during the 3½-year history of the hospital insurance scheme over 740,000 patients have found their hospital bills relatively trifling because of this social legislation.

I was unfortunate enough to be one of those 740,000 patients, but fortunate that I had the benefit of the hospital insurance service. I

would hate to tell this house what it cost on my behalf. When we propose, as we have proposed, that a measure be brought in to this house to make this complete, we appreciate it is a matter of dominion-provincial co-operation. When the federal government initiated other social services, we did not always wait until all the provinces were ready. In the case of old age pensions, for instance, some of the provinces were not ready for many years. I believe the only province that was ready when the legislation became law was the province of British Columbia. That province had legislation passed and was ready to take advantage of the federal enactment as soon as it became law. From 1927 until the last province came in about 1936, if my memory serves me correctly, there was a nine-year period before some of the other provinces were ready. But that is no reason why those provinces that are willing to proceed with national health insurance should not be given an opportunity. It is extremely democratic. It is legislation by consent, and no one need be ashamed of proposing it; certainly, we are not.

There was one other matter to which I wished to refer, and I hope I may have time to say a few words about it because I believe that, as the days go by, it will become more and more important. I was interested in the statement made by the hon. member for Macleod (Mr. Hansell) when he spoke in this debate on December 1. He was asked the following question by the hon. member for Winnipeg North Centre (Mr. Knowles), as it appears at page 236 of *Hansard* for that date:

> Mr. Knowles: Would you do away with welfare legislation? . . .
>
> Mr. Hansell: I would like to answer the hon. gentleman's question if I may. It has always been found that you cannot readily retract or undo something the country has already done;—

I should like to know exactly what the implication is in that.

An hon. Member: That is the $64 question.

Mr. MacInnis: Perhaps for you, but not for me. I continue the quotation:

> —but I would say that the greatest welfare that can come to the people is to leave with them their absolute freedom to act according to their own conscience and will, and see that their incomes are such that they can make available to themselves the highest standard of living the resources of the country can give without interfering with that freedom. That to me is the greatest possible welfare state.

If that means anything at all, it means that what our Social Credit friends have in mind is that enough money will be made available to every person to do whatever he wants to do. I am not opposed to that if such a thing could be done. But after all, that must mean one of two things. It must mean that there is an unlimited pool, trunk or bank of money into which everyone can dip ad lib and take whatever he wants, or it has to be given out by somebody. If it is the first—well, all they have to do is to dip. But if the second—and I should like to hear some explanation of this—someone has to decide how much each one will get.

Now, while I am on the subject, there is another thing that I have asked on various occasions when I have been on the platform with Social Crediters. A fundamental part of the Social Credit system is the just price and the national dividend. What I want to know first of all is, who is going to set the just price? Can the just price be set without government interference? Somebody has to set it. Who is to say what the size of the dividend will be? These questions are important, because in my opinion, the people are being deluded with certain economic proposals, mixing them up with reference to the "eternal verities", whatever that may be. But some day, if the people are not wise, they will be confronted with a situation they did not foresee, and instead of having a bank of money into which they can dip ad lib, they will have chaos.

Mr. G. A. Cruickshank (Fraser Valley): I am sorry, but I am following an hon. member for whom I have the greatest respect, and I think everybody in the house has. He is one of the oldest members—I mean in years of service—here, and I can assure you that in my province he is highly thought of by all parties. In my own riding he is welcome at any time, and I should be glad to introduce him. That is more than I can say of some. In my riding we respect anybody who is sincere. For sectional hypocrites I have no respect, and I have no desire to have them in my riding.

First of all, I want to congratulate the government, because so far congratulations have been going the other way. I want to congratulate the government on their appointing two cabinet ministers from the province of British Columbia. I do not think anybody disputes the fact that we are the fastest growing province in Canada. I do not say we are the best province—I will attend to that later—but we are the fastest growing of any province of Canada. We thought long ago that we were entitled to two ministers. Fortunately, at this time, two men were available of such high calibre. I can assure the house that each and every Liberal member in the province of British Columbia is proud of these two cabinet ministers, and will work in perfect harmony with them.

I intend to get right down to health insurance, seeing that my friend has got

into it. I think we had better say what health insurance is. Every member on this side of the house is in favour of health insurance. I can well remember that some years ago, believe it or not, I tried to have adopted some of the legislation that they had in Saskatchewan or perhaps Alberta. I refer to the municipal health insurance plan. I tried to get the municipal act amended in British Columbia so that we could put it in. I ran into my first experience with lobbying at the Empress hotel. Ninety-eight per cent of the doctors of Vancouver were over there to see that I did not get the amendment to the legislation. They did that by lobbying. I have come to the conclusion that probably they were right and I was wrong at that time.

We were criticized outside the house when we brought in family allowances, and particularly by the Leader of the Opposition (Mr. Drew) who did his utmost to defeat it. I presume he had the entire support of his party. They said that we brought it in at a certain date for political purposes. If you will remember, Mr. Speaker, although the legislation was brought down, it did not go into effect at once. If my memory serves me correctly it did not come into effect until July. They said that it was an election dodge. The reason it was not brought in immediately it was passed was that they had to perfect an organization for administration, and so on. The result was that when family allowances were first paid they were paid without a hitch.

You will remember another piece of legislation we brought in, namely, unemployment insurance. We did not put that into effect the date we passed it in this house, or that month, because we had to perfect an organization to carry unemployment insurance into effect without any hitches. I ask you, I ask any labour man, if it has not been administered in that way? The reason I mentioned that is this: I am sorry to say that in British Columbia we had a government that had some Liberals in it. I will not say they were Liberals, but they thought they were. They brought in a hospital insurance scheme. Ninety-five per cent of the people of the province of British Columbia were and are in favour of hospital insurance; but at least 95 per cent also were not in favour of maternity wards being placed in corridors.

I know very little about maternity wards, but I know something about hospitals. I have not had any experience with maternity wards except to watch expectant fathers gaze through glass partitions, but I know a corridor of a hospital is not the proper place for one. What I am getting at is this. I believe that every hon. member on this side of the house would be just as much in favour of hospital insurance as are our good friends of the C.C.F. party. But we believe it must be brought in in an orderly manner. We brought hospital insurance into effect in the province of British Columbia in a half-baked way through overzeal and high pressure. A clerk from the Public Works Department was put in charge of it to begin with, instead of bringing in somebody qualified, perhaps from one of the big corporations, insurance or otherwise. The result was that our hospital insurance in British Columbia was a farce. The intent was there; the intent was good. Perhaps the premier was not careful enough. I think we had three different assessments in one year. We did not have the system organized. We do know that at Christmas time—I think it was about a year ago—people could not get into the hospital; they could not even get into the corridors of the hospitals in the province of British Columbia.

A new outfit came along. I was going to say a new government came along, but, Mr. Speaker, even I cannot use flattering language when it is not deserved. This temporary organization moved into Victoria and they said: "We are going to make it non-compulsory." We happened to be at Ottawa when they came out with this story. I understand that a few members elected to the federal house to represent their federal ridings were not here in Ottawa, but were out there campaigning. They were going around on the hustings saying that they were going to make it non-compulsory. I ask any hon. member in this house—and I believe that 261 of them have common sense—how you can make a hospital insurance scheme non-compulsory. Is it reasonable to expect Jones to pay when Smith does not? I wonder whether the Minister of National Revenue (Mr. McCann) thinks he will collect his income tax on a voluntary basis? Will the city of Ottawa collect its municipal taxes on a voluntary basis? No. It was a good hoax to get the people to vote; that is all it was. But it did not work. The hon. member for Vancouver East (Mr. MacInnis) read the little document that you get with your bill now. They have found it would not work and that it was not common sense. Why should I waste so much of my time talking about a non-existent government in British Columbia? But I do want to make it clear that at least I am, as I think every member on this side of the house is, in favour of health insurance, but we do not believe that we are in a position to put it into effect. In my opinion, what we should do is this—and I shall just quote you one possible scheme about to be put into effect in my own riding.

A minimum amount of $800,000 is being secured to construct a new fifty-bed hospital. As I understand it, the federal government gives $1,000 a bed now. I think we should double that, and double it immediately, for the construction of new hospitals and hospital accommodation. I believe we should give scholarships to provide more doctors and more dentists. If we had all the hospital beds we needed today, we have not the doctors and dentists in Canada that would be required to provide a health insurance scheme. I believe this government should double whatever we are giving at the present time to construct new hospitals and to provide scholarships or some other means so that we may have more doctors and dentists and nurses.

Then, I think the government has fallen down, and that we as members of parliament have fallen down in another respect. This year out west we had a serious polio epidemic. There was one in eastern Canada too, but I understand it was worse in the west. To my mind it is a disgrace to know that a country like this found it necessary to improvise in the matter of iron lungs. I am not sure how they operate, but I do know that we had to improvise, and fly them in. I say that at this session, as one of the first steps in health insurance, parliament should provide an iron lung to each hospital in Canada that has the facilities to use it.

There is one point that has not been stressed by my hon. friends in the C.C.F., and that is that there should be no hospital in the country in which the poorest patient should not be permitted to have exactly the same medical treatment as the richest patient. It is a disgrace in a country like Canada that at the time of a polio epidemic we have had to improvise in the matter of iron lungs, and fly them in from other parts of Canada or from the United States. At this session we should arrange to see that each hospital in this country that has the facilities should have as many as it needs. I believe we should double our grants to hospitals for new beds.

I find it difficult to speak about war veterans, because this subject has been so well covered by several other speakers in the debate, both on this side and the other side of the house. Since coming to Ottawa I have had the privilege of serving on the war veterans committee. I hope one will be set up this year and that I may serve on it again. I would hope, too, that it might be made a permanent committee.

I wish to support wholeheartedly what has been said by the Canadian Legion in connection with war veterans. I do not think that a country as wealthy as this one has done what it should have done for our burnt-out veterans. Newspaper articles have been quoted, and perhaps I might be permitted to quote briefly from the Vancouver *Sun*. I do so because I fear that too many of my colleagues in the House of Commons, possibly because they are not veterans, lose sight of the fact that the war veterans allowance was first brought in to care for those who, through their service in France in the first great war, were pre-aged. The estimate given at that time was ten years. I am speaking about the veterans of the first war, because I do not know about the second one. I do have knowledge of the first great war because I was there. Anyone who served then in France was pre-aged by at least ten years, and this regulation was brought in to cover that pre-ageing. The editorial to which I am referring, and which is headed "They Deserve Better", states:

> But as the Legion puts it, the whole concept of WVA was based on recognition that the nation owes a special debt to men who sacrificed health and years of their lives to their country in overseas service. It's not comparable with similar awards to civilians.

I was one who for many years, even before I came to the House of Commons, worked for old age pensions. I am sure any recipient of that pension will agree that a veteran of similar age is entitled to different recognition. If, in other words, the old age pensioner is to receive his payment at the age of 65, then surely the veteran should receive his at the age of 60. To me that seems reasonable, and I suggest the government should take action at this present session in that matter. I would prefer to see a committee set up; but even if it is not, it would be a simple matter to amend the legislation. And if it were done I do not believe the final cost would be much more than it now costs to have the gestapo floating around the country and prying into the lives of men and women who gave so much for us, and whose ability is impaired. But, even if it is not, they are not allowed to earn any substantial sum of money, owing to the fool regulations now in existence. It would not cost as much to treat those people properly as it does to have the gestapo running around.

I wish now to speak about a matter which concerns particularly my own riding, but I believe also concerns the whole of British Columbia as well. I refer to river bank erosion. One of my colleagues from Quebec has on the order paper a resolution dealing with this subject, and referring particularly to the St. Lawrence river. Nothing is of greater concern to the Fraser valley or to the

economy of British Columbia than river bank erosion. It is serious enough when any municipality in the Fraser valley is flooded out, but it is a much more serious thing if, as happened in 1948, the third largest city in Canada is cut off from the rest of the country for a month or two. Particularly is it important to the rest of Canada that that third city, our Pacific port, the outlet to Korea and other eastern ports, should not be cut off during a time of war.

I wish to point out to the government how serious this matter it. It is not enough to say that this is a matter of local concern. Anyone who knows anything about river bank erosion or flooding knows that local districts cannot afford to pay to avoid it, and that they should not be asked to when they are protecting the economy of the whole country. One of the reasons our floods are more frequent now is that our country has been logged over.

There is a paragraph in the speech from the throne which, through the co-operation of federal, provincial and municipal authorities, would afford some relief. I believe this problem could be handled under the Prairie Farm Rehabilitation Act. There is no reason why it should not be effective in every province, and it should not be restricted only to two or three provinces. That act should cover every province in Canada, and I would hope that the government might take this fact into consideration at the present session.

I wish to speak briefly about another subject. I do not want to deal with it at length, because I have been a lone wolf for too long in the matter. I refer to the subject of margarine. Today I am not going to worry about margarine as margarine. I will admit it is here to stay, except in two provinces.

An hon. Member: Hear, hear.

Mr. Cruickshank: I hear one of my colleagues say "Hear, hear". I am wondering if he realizes how much the dairy industry means to the Dominion of Canada. I have been surprised in the last few years that this industry has not had more co-operation from some members coming from Quebec and Ontario. In this connection let me read one paragraph which I believe is of importance. The fact is that there is no industry in Canada so vitally important to the welfare of each and every one of us as is that of agriculture; and dairying is probably the most difficult part of agriculture. Do not forget that it is a job which has to be carried out 365 days each year.

This paragraph reads:

> Please note that with today's price of butterfat at around 75 cents the dairy farmer is being asked to compete with another product costing between 10 and 15 cents per pound. Please note that our dairy farmer, in competing for labour in one of the world's costliest labour markets, would be asked to face up to competition from a product harvested, in many cases, in areas where the labour standard is the lowest in the world, as low as 25 cents a day even in these times.

Assuming that there could be improved efficiency—and there could be improvements in the dairy industry—it is true to say that there is no margin of economy that would put butterfat on a competitive basis with coconut oil. That just does not make sense. It just does not make sense to me to know that we are allowing the importation of these cheap oils so that, as is stated in this article, they may compete with us in this country. The article points out that these oils are produced at labour rates as low as 25 cents a day. A couple of years ago some hon. members representing fishing ridings opposed me on this margarine matter. I do not intend to read what the Fisheries Association of British Columbia has to say, but for the benefit of the hon. member from a small riding in New Brunswick who questioned the Minister of Fisheries (Mr. Sinclair) the other day may I say that we produce as much fish in British Columbia as any other five provinces in Canada and that the Minister of Fisheries himself represents some 5,000 fishermen.

The Fisheries Association of British Columbia is composed of all the large operators in the province. My friend and great admirer of the hon. member for Winnipeg North Centre (Mr. Knowles), H. R. MacMillan, is a member of that association. They are not finding it so easy to sell their herring oil and all this is coming back at them a little bit. Here is what they say:

> The herring oil market is neither as stable nor as clearcut as the market for other fish products. In Canada, our biggest buyers are Procter and Gamble and Canada Packers; in the United States, the same type of outlet which manufactures soap, shortening and margarine.

Mr. Speaker, perhaps you have never been in a margarine factory, but if you should visit one you will see a tank over on one side into which they dump this fish oil, coconut oil and all this junk. You see a pipe coming across and out comes a pound of an article which the Social Credit in British Columbia insist on having coloured and which, like the rest of their policies, deceives the public and makes them believe it is butter.

I am not contending that margarine is going to be abolished as I know perfectly well it is here to stay. But surely the dairy farmers of Canada are of sufficient value to Canada to be entitled to a certain amount

of protection. I should like to quote just one paragraph from a speech made by a great sponsor of margarine. He said:

> If you women of Canada would have just one extra meal of fish per week for your family, the export problem of the industry would be largely solved. You will be helping build a stronger and healthier fishing industry, and more important to you, you will be building stronger and healthier children. There is an old saying that fish makes brains. I don't know whether it has ever been really proved true, but I do know that the converse is true—smart people eat fish, because smart people know it to be a delicious, easily digestible food, rich in food values.

The hon. gentleman who said that now sits in the cabinet and is in a better position to assist the dairy farmers than he was as a private member. That speech was made by the Minister of Fisheries on November 25, 1952. I hope he will do his best on behalf of the dairy farmers.

I am not going to take up my full time, but there is just one other matter I should like to deal with. I believe the radio licence fee should be abolished and the cost of operating this service taken out of the general revenues. I know it is quite easy to argue that when you abolish a tax you may have trouble finding the money with which to get along, but if we are honest about it we will admit that the radio licence fee is something like the Social Credit hospital insurance tax in that half the people are paying it and half are not. You cannot be half free and half slave, unless you want to live under that form of government, which I certainly do not. I strongly urge the government to abolish that fee.

On another thing I want to say I may not be in complete agreement with my party, and I refer to the action that should be taken in connection with television. A week ago I was in Toronto to see the Grey Cup game. I never before had been in a city where they had television. When I first saw these things on the houses I did not know what they were but I was told that these towers were for television. I see no reason why Toronto and Montreal can have television service at the expense of Vancouver, Winnipeg and the rest of Canada. If the C.B.C. cannot provide this service right away then private enterprise should be permitted to do it. I may not be in accord with the C.C.F. on that, but we have given the C.B.C. money enough to play around with it.

An hon. Member: Too long.

Mr. Cruickshank: Apparently they cannot put it into effect on the Pacific coast. If private enterprise is not permitted to provide this service, the people will have to be satisfied either with the soap opera television broadcasts of the C.B.C. or with programs that come from the United States stations.

I urge the government to abolish the radio licence fee and to allow private industry to have a hand in providing television. Above all, I ask the government at this session of parliament to remember one thing. It is a good thing to have surpluses because anyone in private business would rather have a surplus than a deficit. But if there is a surplus I cannot think of a better way to use it than to pay off our debts, and I do not know of a better way of doing that than to pay the debt we owe to the veterans who have served us so well.

Mr. D. S. Harkness (Calgary East): Mr. Speaker, I should like to congratulate the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne, with special reference to the remarks by the seconder about the blind. I should like to add my voice to his in urging the government to give greater consideration to these seriously handicapped persons. The blind associations for years pressed to have blind pensions separated from old age pensions and brought under a separate act. They asked also that the description be changed from blind pension to blindness allowance. This was provided for when the Old Age Security Act was passed along with the separate Blind Persons Act.

I am informed that a few blind persons have discovered that they are actually receiving less under the new legislation than they received before. I am sure that when these acts were passed no one envisaged such a situation arising. I understand this is brought about by the provincial grants for which they are eligible. I would hope that the department concerned will take up this matter and if necessary introduce an amendment to the Blind Persons Act so that no blind person will be in the position where he is actually receiving less than he was before the act was passed.

I should like also to urge the government to remove the means test from the blindness allowance. There are far more reasons for doing this than there were for removing the means test in the case of the old age pensions. It is an anachronism that the means test for the blind should be retained when it has been removed at age 70 as far as old age pensioners are concerned. All the arguments we have heard for years for the removal of the means test in the case of the old age pensions apply equally to the blindness allowance. It kills initiative. It discourages many blind people from going out and earning a little

money, and particularly the cost of administration must represent a considerable proportion of any amount which is saved to the taxpayers by the maintenance of the means test.

The total cost of removing the means test would be quite small and I would hope that in the forthcoming budget it will be provided that this means test be done away with. As a matter of fact, some time ago I saw a newspaper account which reported that the Minister of Finance (Mr. Abbott) had held out some hope that this action might be taken. I certainly hope that that report is correct.

There is one other matter in connection with the blind. I remember that the late Arthur Smith, my colleague from Calgary West, urged at practically every session he was here that a greater pension should be paid to the blind and particularly that the age limit in connection with the blindness allowance should be lowered. He could never see, and neither could I, why a blind person should only receive the allowance on reaching the age of 21. I would think that the age could very well be lowered to at least 16 when family allowance payments cease. Certainly the parents of a blind child have considerably greater expenses in bringing up that child than do the parents of a sighted child, and it seems to me that, the parents having carried the full burden up to the age of 16, at which time the family allowance ceases, blind persons should then be given the blindness allowance.

I should now like to touch briefly on certain matters which are of great concern to our most important industry in Canada, agriculture. In my own province of Alberta, in spite of the fact that world attention has been focused on that area because of the great discoveries of gas and oil in the past few years, it remains a fact that the great majority of the people are dependent for their living, either directly or indirectly, upon agriculture.

This year in western Canada we had in aggravated form the difficulty experienced for some time past in getting the grain delivered to the elevators and moved to an export position. Shortly before I came down here I talked to a number of farmers who had large amounts of grain on their farms in granaries and in open piles in fields because they were unable to deliver it to the elevators. One man, whose story I shall give as an example, grew a very large crop of oats this year. He happens to be in a coarse grain growing area, and his yield was better than 100 bushels to the acre. He was allowed to deliver 6 bushels to the acre, I believe, which brought him a cash advance of about $3 per acre. His expenses for harvesting the oats had been $1 an acre for swathing and $4 an acre for combining, or a total of $5 an acre. All the money he got back, and as far as he could see all he was going to get back for some time, was $3 an acre which left him in the position where he was not able to pay his harvesting expenses, his store bills and so on.

The situation is worse this year than ever before because the largest crop on record was harvested this fall. We had good weather for harvesting and the crop was all brought in. None of it had to be left in the fields over the winter. In addition, the situation is bad because at the time that the new crop began to be ready the elevators and the entire handling system were clogged by the poor quality crop harvested last year. The government is responsible for this condition to a very large extent because the policy they followed was one which made it impossible to dispose of the large amount of low quality wheat delivered to the elevators last year and this spring. That wheat was No. 6 and feed wheat which is unfit for milling purposes and must be used for livestock feed and things of that kind.

Feed wheat was held at a price of $1.50 a bushel and at that price no one feeding livestock would buy it who had experimented with it and knew the situation, when at the same time No. 1 feed barley was available at $1.20 to $1.30 a bushel. There is a great deal more feed value in a bushel of No. 1 feed barley than in a bushel of feed wheat. The result was that a large amount of such wheat remained on hand clogging the handling facilities.

The general situation is that the handling method we have now is out of date. It was built up during a period when harvesting was carried on by binders and wheat was delivered from the farms to elevators by teams and wagons during the course of the winter. Therefore the rate of delivery of the grain was spread out and was gradual. Harvesting methods have changed. The crop in a given year is now taken off very rapidly. It is hauled immediately to elevators by means of trucks, and the present handling facilities are not capable of dealing with it.

Unfortunately, however, nothing has been done to improve the situation. The difficulty in delivering grain is going to continue until some remedy is found, and a remedy must be found. It is not a situation that we can let go on indefinitely. The government has done absolutely nothing with respect to the matter and is to be censured for its inaction. Some farm organizations have suggested that a system of storage of grain on the farms

combined with cash advances for grain so stored should be instituted by the wheat board. This may be the solution. I do not know because I am not sufficiently expert on these things to be able to tell.

However, I am quite certain that there are solutions to the problem, but the government is not going to find them by following its present course. It has shirked its responsibility completely. It has done nothing, and as a result western farmers have been left holding the bag so far as getting a return for their grain is concerned.

I should like to turn now to the livestock industry. Everyone engaged in that industry knows that things have not been good for most of the past year. The foot-and-mouth outbreak cut off our one remaining market for livestock outside Canada. Fortunately it was announced a short time ago that the United States ban on imports to that country will be lifted on March 1 next, and I can assure you, Mr. Speaker, that when this announcement was made a great load of anxiety was also lifted from cattle producers right across the country. They are assured of a market in the coming year for the surplus of cattle that has been built up on farms and ranches throughout the past year, and in particular it removes the fear of a yet more serious drop in prices which a large number of these producers anticipated if the ban was not lifted by early spring or by summer at the latest.

An hon. Member: Are you going to compliment the government on that?

Mr. Harkness: No, I do not compliment the government on it. As a matter of fact I compliment the United States government. Last year when the standing committee on agriculture was investigating the outbreak of foot-and-mouth disease the dominion government was busy trying to shush up the matter and was also trying to say that everything that we said with respect to the question was going to prevent the United States government from ever lifting the ban. The fact that the United States government have done what they said they would do, lift the ban as soon as it was shown that the disease had been stamped out, disproves completely the suggestions which were put before the committee and the means which were used to stifle any further inquiry in the committee, and shows them to be complete nonsense. The announcement evidently came as a surprise to the government. Otherwise the Minister of Agriculture (Mr. Gardiner) would have announced it in the house himself. According to newspaper reports it caught him completely by surprise.

An hon. Member: That was not the way I heard it.

Mr. Brooks: He had nothing to do with it.

Mr. Harkness: In any event I should like to point out that the extent to which cattle prices have declined in the past year is not realized by most people across Canada except those engaged in that particular industry. I should like to put on the record a comparison of prices at the beginning of December this year and one year ago as found in the Winnipeg *Free Press*. It makes the picture abundantly clear in spite of some of the speeches that have been made. The hon. member for Vegreville (Mr. Decore) is one who tried to maintain in the house a week or ten days ago that the level of cattle prices was still excellent, that it was fine, that nobody was suffering, and so on.

The following comparison will show what has happened in the cattle industry during the past year:

	1952 $	1951 $
Choice steers, per hundredweight	24 to 24.50	34
Good steers	21 to 23	32 to 33.50

In other words, as far as choice and good steers are concerned the decline has been approximately one-third. When we come to cows the situation is worse.

	1952 $	1951 $
Good cows, per hundredweight	12.50 to 14	23 to 24.50
Medium cows	11 to 12	21.50 to 24.50

When we come to canners and cutters, unfortunately the kind of meat I think I had for dinner last night in the parliamentary restaurant, we have these figures:

	1952 $	1951 $
Canners and cutters per hundredweight	7 to 10	16 to 21

Then coming to stocker steers—frequently referred to as stockers and feeders—we find the picture midway between those for cows and steers respectively. I will not bother to put the details on record but the drop in price has been between one-third and one-half. Taking it altogether we find the drop in price since a year ago has ranged from 33⅓ per cent to 50 per cent, or a little more than 50 per cent in some cases. That has seriously reduced the income of farm families throughout this country. Unfortunately that drop in price has not been reflected to anything like the same extent in the retail price of meat to the consumer. The result is that most urban people, city people generally, still think the farmer is getting too much for his

livestock and they would probably like to see any measures taken which would drive the price of livestock down ever farther.

Now, where the difference in this decline has gone I do not know. Certainly it lies between the packers and the retail butchers. I would think that possibly there might be a little investigation by the bureau of statistics people, on the basis of the numerous statistics they require sent in anyhow, which might produce information about the difference. Publication of the information might do something to reduce the spread in prices.

When we had the prices committee three or four years ago we made an investigation which showed then what the spread in prices was and who got what out of the price paid by the consumer for meat. I would hesitate to recommend that such a committee be set up again although possibly the time has arrived when one should be. Certainly when the farmers in this country have to take a reduction of 33⅓ per cent to 50 per cent for the cattle they market, the retail price of meat should go down proportionately; but certainly it has not done so.

When we come to hogs the present situation can only be described as disastrous; and when the drop in floor price of $3 per hundred comes into effect on January 1, as announced by the Minister of Agriculture (Mr. Gardiner), the hog situation will be absolutely impossible. A little over a year ago, on January 15, 1951, I put on the record here a breakdown of the cost of raising hogs, showing that the feed cost alone to bring a pig to market in Ontario at that time was $39. Since then the price of grain has gone up and I would estimate that the cost at the present time for feed alone to produce a 200 pound pig is $41. The price paid for the best pigs, A grade, is $26 per hundredweight in Toronto and Montreal. The return to the farmer on a 200 pound pig which dresses 155 pounds—really a little above average—is $40.30. To this must be added the $2 premium which is paid by the dominion government for the production of high quality bacon. So the farmer receives $42.30 for his pig—$1.30 more than the cost of his feed alone. Out of that $1.30 he has to pay the cost of transporting the pig to market. He has to pay condemnation insurance and in many cases he has to pay commission. So you can take it, generally speaking, that for every A grade pig a farmer produces it has cost him for feed alone as much as he receives for the pig—feed which he had to buy or, if he produced it himself, he could have sold for that figure.

An hon. Member: There are not very many grade A pigs.

Mr. Harkness: As my hon. friend points out, the number of A grade pigs is relatively small. I have forgotten what the percentage is at the present time, but I think it runs something like 10 to 15 per cent. For every lower grade pig that the farmer produces he has an actual loss on the feed alone, to say nothing of his ordinary costs—costs for repairs to fences and buildings, labour and overhead, and all the rest of it.

That is the situation at the present time. But let us look at what the situation will be when the $3 is taken off the support price and it becomes $23 on January 1, 1953. Then the farmers' return on a 200 pound grade A pig will be $35.65. For every such hog the farmer produces after January 1, for feed alone he will be out of pocket $3.35, and in addition he has his labour and other costs. On his lower grade hogs the loss will, of course, be correspondingly greater.

The only people who are still in the hog business, or who are not getting out of it as fast as they can, are those who do not know what their costs are and therefore do not know what they are losing. Another class, those largely in the purebred business, are still holding on. In many cases they have cut down production and are holding on waiting for the day when present conditions will bring about a scarcity and prices will shoot away up—a thing which of course a large number of farmers cannot afford to do.

Now, it would appear to be the deliberate policy of this government to destroy the hog industry in Canada. This appears clearly enough if the support prices which are offered for hogs are compared with the support prices offered for cattle. As of January 1 the support price for each will be $23 per hundred weight, but in the case of hogs this $23 will be for 100 pounds of warm dressed meat. In the case of cattle it is $23 per 100 pounds, live weight. If you work out the support price for cattle on the same basis as for hogs, that is on a dressed weight basis, it gives you $41 per hundred. Dressed weight is, on the average, 55 per cent of the live weight. You have a differential in the support prices—$23 for hogs as against $41 for cattle.

Now, that is clearly a case of gross discrimination against the hog producer—a deliberate attempt, I would say, to drive the hog producers out of the market. It appears particularly so when you look at the long-term average of the price of hogs as compared with the price of cattle. In this booklet, livestock and meat trade report, put out by the Department of Agriculture, we see the relationship between livestock prices—basis Toronto; Cattle-hogs—long-term average 75·7 per cent. The period is 1914 to 1941. During that time cattle were three-quarters the

price of hogs. At the present time, November 29, 1952, the ratio is 121·9 per cent. In other words, cattle are now worth 21·9 per cent more than hogs whereas they used to be worth only 75 per cent as much. That I think makes it abundantly clear that the government is attempting to destroy the hog industry.

Now, the reason that they are doing this is not very difficult to guess. For a long time the market for our surplus hogs has been in Great Britain. The hog industry of this country was deliberately built up over many years by means of dominion government subsidies, by importing certain types of boars and by various devices, in order to meet the requirements of this British market. The market has been lost as a result of the policies pursued by this government, and in order to avoid the consequent problems the government is destroying the hog industry without any consideration for the people who have earned their livelihood from it and who are going to suffer serious losses as a result of government policy.

However, more important than the losses suffered by individuals at the present time is the long-term effect of this policy. It will be very serious. In the first place, destruction of the hog industry in this country is going to remove the principal market for coarse grains and low-grade wheat. We come right back to the point with which I started: the large surplus of low-grade wheat which is cluttering up our elevators and our distribution system at the present time. The eventual result, of course, will be the extreme scarcity of hogs, and consequently the consumer will be paying a much higher price than he would otherwise be required to pay.

Another branch of agriculture which is important in Alberta, and upon which I should like to touch very briefly, is the sugar beet industry. The policy which has been followed by the government in regard to this crop is placing it in a precarious situation. Sugar beets are the basis of successful irrigation farming in southern Alberta. The building of the St. Mary dam and the canals leading from it to distribute the water so stored, a project about which we have talked frequently in this house over the past several years, is now more or less completed. In order to make the large expenditure on this project worth while, it is essential to keep the sugar beet industry in a healthy state. The irrigated lands in southern Alberta have been responsible for a very large increase in population. There will be a further increase as a result of this new dry land being brought under irrigation.

An hon. Member: By what government?

[Mr. Harkness.]

Mr. Harkness: A gentleman asks "by what government?" It has been brought into operation by the joint efforts of the dominion government and the Alberta government.

Mr. Murphy: Under pressure from the Tories.

Mr. Harkness: Yes, and as a result of a great deal of pressure from bodies of all kinds. Really, I suppose this matter comes under immigration, but the only way in which the farm lands of Alberta can absorb a considerable number of immigrants is by irrigation. In order to keep the irrigated farms going, as I say, sugar beet is an essential crop.

In the event of a war, the importance of a domestic supply of sugar is quite apparent. We all know that rationing of sugar took place during both wars, and actually an assured supply of sugar is just as important a defence requirement as any other, because our outside sources of supply may be cut off. This industry is being threatened by what I believe was a mistake made by the government. I was going to say "a pure mistake", but there cannot be such a thing as a pure mistake. The Minister of Trade and Commerce (Mr. Howe), through an understandable desire to increase our external trade, and one with which I thoroughly agree, made an arrangement with Cuba by which it was hoped a certain amount of Canadian goods, particularly dried codfish and potatoes, would be shipped to Cuba in exchange for 75,000 tons of raw sugar per year. I have no objection to that arrangement. The only trouble is that no means was provided to prevent an unrestricted flow of Cuban refined sugar into Canada.

Cuba now has a large surplus of sugar which she is extremely anxious to dispose of. All the sugar beet industry is asking for is that a quota of some sort be imposed on the importation of refined sugar. They are not asking for a tariff or anything of that sort. All they want is an assurance that the Canadian market is not flooded with this great surplus of Cuban sugar, resulting in the destruction of their industry. This industry might be destroyed in the course of a year or two, by which time the surplus sugar would be gone. A short crop in the cane producing areas might leave the world position such that the price would go to great heights. It seems to me reasonable that these people should be given some consideration in this matter. As someone said to me, it is very desirable to increase our foreign trade with Cuba and other countries, but it seems stupid to buy a Cadillac in order to sell a bag of potatoes, and that is essentially what this sort of deal means.

In the few minutes I have left, I should like to turn to defence matters. Evidently defence is a very touchy subject with the Liberal members, because during the course of this debate so many of them have attempted to explain away the instances of extravagance and waste which have been brought to the attention of the house. In his speech on this matter the Minister of National Defence (Mr. Claxton) attempted to use some remark that I made in 1949 as an endorsation of the course which the government has been following. It is extremely flattering that the minister should spend so much time in looking up what one said back in 1949, particularly since the Prime Minister (Mr. St. Laurent) said that the Minister of National Defence was so busy he did not have time to scrutinize defence contracts. In view of what the minister said about ghost writers, no one would for a moment suggest that he had not looked up these references himself and prepared his speech himself. From his own words, we can only take it that is the situation. It is rather surprising to me that he should have spent so much time looking over these old *Hansards* to find instances of this sort.

The main thing is, however, that the statement ascribed to me—which of course I made—is not really applicable to what the minister has been doing and what has been done generally by the Department of Defence Production. The quotation the minister used is found on page 135 of *Hansard* for November 27, and was a reference to what I had said in regard to the difficulty of equipping troops in 1939. I went on to say that there should not be any repetition of that; there is no need for it, particularly with the large amount spent for defence purposes at the present time. I interjected that there was no need to go to extremes, either, and the minister said:

> I am glad to see that the hon. member is here and he will no doubt support what he said in 1949.

Certainly I support it, Mr. Speaker, and I support it one hundred per cent. As I say, however, it is not applicable to what the government has been doing so far as our so-called rearmament program is concerned. To begin with, of course, there has to be reason in all things. The provision of a proper quantity of mobilization stores of any sort does not mean the provision of many times the amount that is likely to be required. No one in Canada argues that we should not have adequate supplies of mobilization stores. Actually what has been done has been the buying of large quantities of things which are not essential for mobilization, and at the same time the failure to provide things which are essential for mobilization. Great quantities of neckties, carpets, teapots, furniture, boudoir lamps and so forth have been secured, but at the same time stocks of rifles, machine guns and artillery pieces have actually been depleted. In other words, during the past two years of heavy expenditures for rearmament the essential mobilization stores have not been stockpiled, and stockpiling is given by the government as the reason expenditures have had to be so great.

For example, we have sent to European countries the arms and equipment for three infantry divisions, plus field pieces for at least one regiment, and I believe practically all the self-propelled anti-tank guns we had. One may well ask the question, then, what has been secured to replace them? Well, if we look at the information supplied to the defence expenditures committee last year, particularly in an exhibit having to do with Canadian defence orders, April 1950 to January 1952, we see at page 16 that we have secured 138 105-millimeter howitzers. These are field pieces to replace the 25-pounder gun-howitzers which were sent to Europe. The number sent to Europe would be 240 25-pounders. Therefore the number we have secured subtracted from that number leaves us with a deficiency of 102 field guns. We are that many field guns worse off than we were before rearmament started.

When we come to rifles I think it is perhaps conservative to say that the equipment for the three divisions included at least 30,000 rifles. To replace them we have ordered, as shown on page 11 of the same exhibit, 12,250 rifles and 7,481 carbines, which apparently take the place of rifles, as it was explained to us. That is 19,000 odd, just under two-thirds as many as were disposed of.

The same story runs through a good deal of the actual fighting equipment which we had at the end of the war and which we have been supposedly ordering since. Some of it we have not only not stockpiled, but we have depleted the stockpiles we had at the end of the war. It seems to me, Mr. Speaker, that in the excitement that has been engendered by the disclosure of the large number of non-essential items which were secured, the serious deficiencies in essential items of fighting equipment have been lost sight of by the general public, or perhaps have never made a real impact on the consciousness of the country as a whole.

There is, of course, a good reason why this should be so, and that is the fact that security is always invoked as a reason for

not giving information as to many of our arms purchases. For example, on page 10 of this exhibit having to do with defence orders there is one item which reads: "87A, various suppliers; aircraft; date of orders, various; number of units; classified"; in other words, secret; "estimated value of contracts; $668,962,840." In other words, Mr. Speaker, in that one item you have an amount equal to one-third of all the defence expenditures of this year.

In connection with that item we were not allowed to ask one single question. The parliamentary assistant to the Minister of Defence Production made a great play in his speech about members not having read the minutes of evidence given before the committee. Well, if you will look at page 412 of these minutes of evidence you will see that I attempted to ask questions in regard to this item, and in each instance the answers were that this information was all secret, that nothing could be told us about it whatever. We could not even be told the amounts which went to different companies such as Canadair, A. V. Roe, and so forth. We could get no information on that at all. I would strongly suspect, Mr. Speaker, that the waste of money which has been shown in some of these smaller items of carpets and so forth would pale into insignificance if one were able to go completely into that one item of $668 million odd.

There have been delays in delivery of F-86E Sabres and the CF-100 jet planes, though the announcements made by the ministers concerned would lead us to believe that the Canadian air force would be equipped with the CF-100 before this. They have not got them. By this time they may have three or four sample copies, but that is all. These delays, together with the change in management which took place at the factory making the CF-100, show only too clearly that the program in connection with this airplane production did not go according to plan.

How many planes have actually been delivered? How many have been secured or are to be secured for this very large sum I do not know, and of course we will not be told. But one thing I am absolutely sure of, and that is this. The number is considerably fewer than 600; and if it were 600, the cost would be well over $1 million each. We were told by the minister, as I remember it, that the cost of one of these F-86E's was to be in the neighbourhood of $300,000 to $350,000.

The general position of course in regard to all these defence contracts is that everyone in Canada knows what a necktie or a carpet is, and when a person learns that a certain number have been bought he is able, from his own experience, to form a judgment as to whether the number ordered was excessive, or if there was likely to be extravagance and waste. However, the number of people in Canada who can form a judgment as to waste or extravagance in connection with a thing like a modern naval vessel, a jet plane or one of the modern artillery pieces, is extremely limited even if the information was given, which it is not. The natural result is that attention has been directed to the smaller non-essential items, and in regard to the important items of rearmament we just do not know what the situation is. What we do know, however, has given rise to very considerable feelings of unease.

The defence expenditures committee is to be set up again this year. A motion providing for it is on the order paper. I would hope that it would be carried on in a very different way from last year. Speaking by and large, last year we were smothered with a great mass of small details, in many cases unessential matters, and as a result we sort of waded around the way a man would in a six-foot snowstorm, and we were not able to see very much light.

I did move on one or two occasions last year to investigate a specific matter, and pointed out that the only way in which we would make progress in the committee was to take some specific matter and investigate it thoroughly.

In his speech the other day the hon. member for Red Deer (Mr. Shaw) proposed that this year the committee should investigate construction matters at two stations. That is the sort of thing I think the committee should do. Certainly this sort of wandering around with a terrific mass of paper is not going to get us anywhere. I would hope that the efforts of the defence expenditure committee might be directed at this year's sittings particularly to this matter of arms and armament, really essential items so far as rearmament in this country is concerned.

Mr. Darroch: I did not wish to interrupt the hon. member for Calgary East (Mr. Harkness) in his very interesting speech, but I am wondering if he would permit a question.

Mr. Harkness: Yes.

Mr. Darroch: Would he tell the house what price farmers could expect for hogs if we were shipping them to the British market today?

Mr. Harkness: I have no idea what the answer to that would be. But certainly the question is irrelevant, because we have no market there.

(Translation):

Mr. Charles Cannon (Iles-de-la-Madeleine): Mr. Speaker, in beginning my remarks, I wish to conform to a custom of this house and to congratulate the mover (Mr. Deslieres) and seconder (Mr. Schneider) of the address in reply to the speech from the throne. I extend my most sincere congratulations to the hon. member for Brome-Missisquoi, more particularly, on the substance and form of his speech.

I, myself, had the opportunity of moving the address in reply to the speech from the throne soon after my arrival in this house. I therefore understand the difficulties which any new member must face in so doing and I am sure that all my colleagues will agree with me that the member for Brome-Missisquoi has discharged with honour the task which had been entrusted to him.

(Text):

I should like also to congratulate the hon. member for Waterloo North (Mr. Schneider) upon the very able manner in which he seconded the address in reply to the speech from the throne. His speech shows the great ability he has brought to the house, and has given assurance to hon. members of that which they already anticipated, that he will make a useful contribution to the debates.

I should like, too, to congratulate the Minister of Fisheries (Mr. Sinclair) and the Associate Minister of National Defence (Mr. Campney) upon their elevation to the cabinet. They are both hard-working members of the house. They have contributed usefully to its work and its debates in the past, and they both fully deserve the honours granted them. I may say I am looking forward particularly to working with the Minister of Fisheries in the interests of the Magdalen islands, which I have the honour to represent and which, as every member in the house knows by now, I presume, are very much interested in fisheries.

As one who has often advocated the installation of a loud-speaker system in the house, I wish to congratulate those who were responsible for it. It is a great success, and is giving unqualified satisfaction to all of us.

As this is probably the last session before an election, I have been expecting members of Her Majesty's loyal opposition, and members of the other opposition groups, to bring forth their best ammunition; but I have been somewhat disappointed in the result. I find that, in taking part in the debate, to a very great extent the opposition members have indulged in generalizations and platitudes. As an example of the generalizations I shall refer to the observation of the hon. member for Calgary East (Mr. Harkness), who preceded me in the debate this afternoon. Referring to the market for hogs, he made the unqualified statement that the British market had been lost as a result of the policy of this government.

Well, everyone knows that is not true. It is not half true; it is not even a quarter true. There are very many other factors which have to be considered when one is giving a reason for the loss of the hog market. One of the most important, and one which the hon. member did not mention but which comes immediately to my mind—and I am far from being an expert in the matter—is that unfortunately the British have not the dollars with which to buy our hogs.

Mr. Harkness: Would the hon. member tell me what the hog situation is in Quebec city?

Mr. Cannon: You are the expert on that. In reading the speeches made by members of the opposition groups I have paid particular attention to the one made by my good friend the hon. member for Eglinton (Mr. Fleming), who usually brings some solid contribution to the debate. In his speech, however, I am sorry to say I found one of the best examples of generalizations and platitudes such as I have just mentioned. For instance, at page 111 of *Hansard*, no doubt after having given great thought to the matter and after having given it deep consideration, the hon. member is reported to have said this:

> These past three and a half years will go down in history as the wasted years. And now we are told that this government is to ask for another chance. In the face of a record like that, of wasted years and lost opportunities, Mr. Speaker, I am satisfied the people of this country will think very carefully before giving another chance—

And so on.

Mr. Fleming: Finish the sentence.

Mr. Cannon: What impressed me there was the hon. member's reference to the wasted years. I will ask my hon. friend, who has attended sessions of this parliament assiduously from the beginning, whether he considers the legislation passed in 1949 amending the British North America Act and enabling the federal government to amend the constitution of our country in federal matters, the amendment to the Supreme Court Act to make it the last court of appeal for Canada, the trans-Canada highway agreement, the Emergency Gold Mining Assistance Act of 1949—I would ask him whether these were "wasted years and lost opportunities".

Mr. Fleming: Do you want an answer?

Mr. Cannon: You can give an answer later on, when your time comes.

Mr. Fleming: I would be glad to do it now.

Mr. Cannon: I will ask whether he thinks that at the session in 1950 it was an instance of "wasted years and lost opportunities" when we passed the legislation dealing with the NATO organization, when we decided to send our troops to Korea to support the armed action being undertaken there by the United Nations, when we amended the Old Age Pensions Act, when we passed the Old Age Security Act, when we held our special session to settle the railway strike. I am asking whether the hon. member considers that that legislation was "wasted years and lost opportunities."

Mr. Fleming: Do you want an answer now?

Mr. Cannon: You may give your answer when your time comes to speak. If you answered all those items I would have no time to speak. The hon. member can read them in *Hansard,* and if he wishes he may discuss them later in the debate.

Mr. Knowles: You have the old age legislation in the wrong year.

Mr. Cannon: No, I beg your pardon; it is in the right year, I checked it.

Mr. Knowles: It was passed in 1951.

Mr. Cannon: But it was originated in 1950, and was in the speech from the throne in that year.

Mr. Knowles: Oh, no, it was not. If that is all you know about it—

Mr. Cannon: Let us not argue about details like that. The important thing is not the year, but rather the fact that the legislation was passed, and that the hon. member for Eglinton has referred to the work of this parliament as "wasted years".

Mr. Fournier (Hull): Why not let the hon. member make his speech without interruption? I would like to hear it.

Mr. Knowles: I would like him to make it correctly.

Mr. Fournier (Hull): You can speak in Three Rivers next week.

Mr. Cannon: In 1951 we passed legislation to improve the lot of the veterans by extending their benefits through increased pensions. We passed legislation to send troops to Europe under NATO. We passed the St. Lawrence seaway authority legislation, and legislation dealing with the development of the St. Lawrence power. Were those lost opportunities? Were those wasted years?

(Translation):

I ask the hon. member for Eglinton (Mr. Fleming), is that not so?

Mr. Fleming: Yes, of course, always yes.

[Mr. Fleming.]

Mr. Cannon: Your reply indicates that you do not attach very much importance to the debates of the house.

Mr. Fleming: I shall reply to that later; you would not allow me to do so now.

(Text):

Mr. Cannon: In 1952 we passed legislation ratifying the Japanese peace treaty. We implemented the Colombo plan and entered into tax agreements with nine of the provinces. We amended the British North America Act with regard to the rules of representation; this was the first time it was amended in Canada. We passed important legislation concerning the capital structure of the Canadian National Railways. These are just some of the highlights of what we did in those years. Again I repeat this question to my hon. friend: Were those wasted years? Were those lost opportunities?

Mr. Fleming: When are you going to give me a chance to answer these rhetorical questions?

(Translation):

Mr. Boisvert: Support prices.

Mr. Chevrier: He will answer later.

Mr. Fleming: He would not allow me to do so now.

(Text):

Mr. Cannon: The opposition have been repeating old accusations, have been hurling old charges which have been answered time and again. We heard them referring time after time to waste and extravagance in the Department of National Defence and the Department of Defence Production. Those accusations were brought before the committee that was set up last year and satisfactory evidence was given. I wish to congratulate the hon. member for Halifax (Mr. Dickey) for the speech he made the other day on this subject. He showed that most of these accusations had been answered. He showed that information had been given by officers of the department at the hearings of the committee, and he underlined the fact that I am underlining again, that the opposition were just repeating the same old accusations which had been answered. They seem to have heard and believed in the old saying of Voltaire: mentez, mentez, il en restera toujours quelque chose. They seem to think that if you repeat the same accusation often enough, people will remember only the accusation and forget the answer.

That is not a fair way to deal with the public of Canada. It is not a fair way to deal with the electors of this country. We all know that there are not so many people who read the reports of the committees. Nearly everyone reads what goes on in the house

because it appears in the newspapers but only a comparative few read what goes on in the committees, so you have accusations being made in the house in a general way and then answered in detail in the committee. If those accusations are repeated often enough there is no doubt that they will be noticed more by the public and will eventually carry more weight than any answers that are given. I do not think that is a fair way to deal with this subject.

On this matter of so-called waste and extravagance, I was amazed to see that the items to which the opposition attached the most importance were things like neckties and shoes. I think we can consider we are lucky in this country when we realize that the government is spending $2,000 million on procurement, on armaments and things required for national defence, and the only criticism by the opposition has been in connection with things like neckties and shoes. We should consider ourselves lucky when we realize the enormous amounts that are spent on other items which are much more expensive and take up much more of the taxpayers' money.

Mr. Fleming: On which the government refuses information.

Mr. Lesage: The hon. member knows that is not true.

Mr. Cannon: There is another generalization, there is another general statement such as those which are made without any support whatever. When my hon. friend speaks in the house I would like him to support that, to show the house that he was not able to get the information he asked for. I know for a fact that all the information that could be given to members of the opposition in keeping with national security was given.

Mr. Fleming: Apparently my hon. friend has not read the proceedings of the committee on defence expenditures.

Mr. Cannon: I am not on the committee.

Mr. Fleming: You have not read the proceedings, either. That is obvious.

Mr. Cannon: One of the accusations levelled most often at the government by the opposition is that the federal government is taking too much of the total tax money in Canada, in other words is taking too large a bite of the tax money available. In his speech at the beginning of the session the Leader of the Opposition (Mr. Drew) said that in 1939 the federal government was taking 51 per cent of the tax dollar, the provincial governments 19 per cent, and the municipal governments 30 per cent. He went on to say that in 1951 the federal government was taking 77 per cent, the provincial governments 12 per cent, and the municipal governments 11 per cent. He apparently concluded that the federal government were encroaching on fields of taxation exploited by the other two bodies, that they were taking so much of the tax money that there was nothing left for the others. But if you consider these percentages carefully you must come to a different conclusion.

Let us consider what are the federal expenditures that have been responsible for the increase in the percentage from 51 per cent in 1939 to 77 per cent in 1951.

Mr. Lesage: The figures are not correct.

Mr. Cannon: My friend says that the figures are not correct, but I am giving the Leader of the Opposition the benefit of the doubt and assuming that they are correct. In examining them I should like to draw the attention of the house to the fact that the two items responsible for this increase in percentage are national defence and social security.

No one has ever suggested that national defence should be handled by either the provincial or municipal authorities. The federal government must take care of national defence whether it wants to or not. It is forced to raise money for national defence by taxation because of the force of circumstances. It has no choice in the matter.

About $1,000 million a year is being spent on social security by the federal government, for family allowances, for old age pensions and things like that. The money paid for old age pensions and pensions for the blind is paid by the federal government as a result of agreements with the provinces. I do not think any agreement was made in connection with family allowances; the federal government just went ahead and granted family allowances and no objection was raised by the provinces except by Ontario, of which province the Leader of the Opposition was then the premier. He declared himself very much against family allowances because he thought they would benefit my province too much at the expense of Ontario. I know my hon. friends do not like to have that brought to the attention of the house or the country. Unfortunately they will probably hear of it several times before the next election comes along.

Mr. Fleming: That is not what he said.

Mr. Cannon: No one wants family allowances administered by the provinces. If my hon. friends wish that, let them say so. I do not think it would be very popular because it might mean different rates of family allowances in the different provinces and different manners of administration. I

am convinced that the people of Canada do not want family allowances administered by the provinces.

The point I am making is that whether it wants to or not the federal government must raise $3,000 million more today than it had to raise in 1939, $2,000 million for national defence, and $1,000 million for social security. If we work on the figures given by the opposition, which the hon. member for Montmagny-L'Islet (Mr. Lesage) says are not correct, but giving the benefit of the doubt—

Mr. Fleming: Will my hon. friend permit a question?

Mr. Cannon: —they show that 77 per cent—

Mr. Fleming: Will my hon. friend permit a question?

Mr. Cannon: Not now.

Mr. Fleming: You only ask them; you do not answer them.

Mr. Cannon: It is my turn to talk. I am making the speech and it is a little different. Does the hon. member for Eglinton (Mr. Fleming) not realize that there is some difference between a question being asked by the member who has the floor and a question being asked by another member who has not the floor? It seems to me it is elementary.

Mr. Fleming: Has the hon. gentleman overlooked the fact there were defence expenditures in 1939? He has left those out entirely.

Mr. Cannon: This hurts, but I will ask my hon. friend to keep quiet and listen for a while.

Mr. Fournier (Hull): Curb the urge to speak.

Mr. Cannon: If we take the figures advanced by the opposition, namely that 77 per cent of the revenue went to the federal government, 12 per cent to the provinces and 11 per cent to the municipalities, and work back from the figure of 77 per cent based on a total federal budget of approximately $4 billion, we find that the total taxes raised by the three taxing powers were about $5,200 million. Taking these figures, the federal government collected $4 billion, the provinces $626 million and the municipalities $574 million. If you deduct the $2 billion that the federal government had to spend for national defence willy-nilly, as I said, then you bring down the total to $3,200 million. Keeping the same amounts for the provinces and the municipalities, we find that the federal government is left with $2 billion, the provincial governments with $626 million and the municipal governments with $574 million.

[Mr. Cannon.]

Let us look at the percentages now. They come down to 62 per cent for the federal government, 19·5 per cent for the provincial governments and 18·5 per cent for the municipal governments. Already we are getting closer to the figures of 1939. If we deduct the $1 billion that the federal government had to spend on social security—

Mr. Fleming: Was there no expenditure on national defence in 1939?

An hon. Member: Practically nil.

Mr. Cannon: Very small.

Mr. Fleming: You treat it as if there were none.

Mr. Cannon: I am surprised that the hon. member for Eglinton, who knows the rules of the house, did not ask my permission to ask a question.

Mr. Fleming: I would not get it. You have made that clear.

Mr. Cannon: If we take off the amount of $1 billion for social security that brings the total taxes down to $2,200 million. It brings the federal government's share down to $1 billion and the other two shares remain as they were at $626 million for the provinces and $574 million for the municipalities. What are the percentages now? The percentages are 45 per cent for the federal government, 29 per cent for provincial governments and 26 per cent for municipal governments compared with 51 per cent for the federal government, 19 per cent for provincial governments and 30 per cent for municipal governments in 1939.

Therefore if you take into account the fact that the federal government had to necessarily assume—it had no choice in the matter—expenditures of $2 billion for national defence and $1 billion for social security, the part of the taxes that it raised and spent was less percentagewise in 1951 than it was in 1939, 45 per cent as against 51 per cent.

Mr. Fleming: Will the hon. member permit a question?

Mr. Cannon: I do not think so because my time is pretty short. I will listen to my hon. friend's answer later.

Mr. Fournier (Hull): He is nervous today.

Mr. Cannon: If I allowed my hon. friend to ask all the questions he wants to ask he would be talking all the time and I would not be talking at all.

Mr. Chevrier: He does not like the speech.

Mr. Cannon: I say that the federal government has been forced into its present position of taking such a large slice of the tax dollar by circumstances so far as national defence is concerned and by the will of the people so far as social security is concerned.

Mr. Knowles: It certainly was not the will of the Liberal party.

Mr. Cannon: If the provinces and the municipalities took over any great part of the revenues devoted to social security they would have to provide the pensions and allowances, so they would not be any better off. They would take the money and pay it out to the people, and would not be any better off than they are now. I recognize that it is a very difficult problem. I am not trying to belittle it. I am only pointing out that the federal government is not to blame for the situation as it exists and that the accusation of the opposition is not one that holds water.

I find in the speech of the Leader of the Opposition made on November 24 and recorded at page 25 of *Hansard*, the following reference to the conference of prime ministers which was then about to take place in London:

> There have been repeated reports also that Canada is going to insist upon Britain taking certain steps to improve their position before Canada can make any effective arrangements with them.

Farther down he said:

> I am sure that Canadians would be indignant, and I cannot imagine anyone would be more indignant than members of this government, if anyone in Britain presumed to tell the Canadian government how it should mend its ways before they could do business with us. Before we presume to tell the government of Britain how it should conduct its affairs, it would seem appropriate that our own position should be examined.

I was very much interested to find in the Montreal *Star* of November 27 an extract from the good old London *Times*, which for once does not agree with the Leader of the Opposition. The article reads as follows:

> The *Times* came out today with an analysis of the commonwealth economic conference that seems in complete accord with the Canadian viewpoint. In its leading editorial, the independent newspaper says the commonwealth ministers must have two main problems to consider: self-help within the sterling area and the fundamental problem of United States predominance.
>
> The danger, says the *Times*, is that the second problem may be used by the sterling area as an excuse for not putting their own house in order. "Because of the persistent American surplus . . . it is contended that the action now demanded to make the economies of the commonwealth countries shipshape . . . is beside the mark", the newspaper adds. "In fact, the truth is precisely the opposite."
>
> "The greater the difficulty of making both ends meet in world markets, the greater the need to leave nothing undone to make the most in competitive terms of commonwealth resources. Self-help is the first and last item on the agenda." The *Times* says it is clear, "as it has been all the time to the Canadians at their special vantage point in North America", that there is no solution in perpetual restriction.
>
> Only after the problems of sterling area "good housekeeping" had been solved—by such measures as more scrupulous investment—could the ministers "usefully ask whether the wider goal of convertible currencies and the free flow of goods and investments in transactions with the dollar world can be brought within reach."

In other words, the London *Times* is precisely of the same opinion as indicated in the reports cited by the Leader of the Opposition in his speech, namely that Canada was going to insist that Britain take certain steps to improve its own position before Canada could make any effective arrangements with her.

I wish to draw the attention of the house to the fact that just one year ago now, in December 1951, we were all very much worried about the increase in the cost of living. Members of the opposition were all insisting that it was absolutely necessary, if we were going to avoid disastrous inflation and preserve the economy of our country, that controls be reimposed. The government held firm. Don't shake your head. The hon. member may not have advocated it, but there were members of the opposition who did. I remember very well. The government decided that it would not interfere directly with the liberties of the citizen and it would not impose controls, as it considered they were not necessary at the time. It decided to take indirect methods to control inflation. I am very gratified to say, Mr. Speaker, and I draw it to the attention of the opposition if they have not already noticed it, that the cost of living according to the old index has dropped from 191 in January of this year to 185 when last reported. I think the Minister of Finance (Mr. Abbott) and the whole cabinet deserve the congratulations of this house and of all fair-minded Canadians for their very wise attitude which has produced these results.

Some hon. Members: Hear, hear.

Mr. Cannon: On that score and on that subject I wish to draw the attention of Her Majesty's opposition, because I always wish them to be well informed, to an editorial appearing in the New York *Times* of November 5, 1952, concerning the way Canada has coped with the danger of inflation and has succeeded in bringing down the cost of living. I will spare you the first paragraph because it just repeats figures I have already given. The second paragraph reads:

> What makes the Canadian record the more impressive by contrast with the floundering of our own administration in this area is the manner in which it was achieved. The government's policy, in the words of Finance Minister Abbott, was "designed to guide the economy in the right direction without dictating the details of economic activity". In other words, the nation steered clear completely of price-wage controls, and all direct interference with the individual's affairs, relying upon increased taxes (direct and indirect), the stern

regulation of consumer credit, a voluntary credit restriction plan, and an anti-inflationary policy of debt management.

The strictly economic approach to the inflation problem by Canada is typically exemplified in its policy in the field of taxation. In contrast with our own government, it has sought to maintain a good balance between taxes on earnings and taxes on spending.

I think this editorial from the New York *Times*, a newspaper that is well known and well respected, pays a well deserved tribute to the government of the country which we have today, and which we will continue to have after the next election notwithstanding the prophecies of the hon. gentlemen of the opposition that we will not be given another chance. I think it is not just coincidence that two highly respected newspapers, the London *Times* and the New York *Times*, should both, at approximately the same time, find it opportune to praise the Canadian government.

The next item I have on my agenda concerns the speech of the hon. member for Three Rivers (Mr. Balcer). In *Hansard* of December 2, page 273, he said:

(Translation):

This is in French, Mr. Speaker, so I will revert to that language. The hon. member for Three Rivers (Mr. Balcer) is reported on page 273 of *Hansard* as having said:

During the war Ottawa got into the habit—

He quotes *Le Devoir*.

—of taxing as much as it could and it never lost this habit altogether after 1945. It has used the moneys thus collected to set up social services which are within the fields of the provinces.

What I am underlining is: "within the fields of the provinces". Speaking of social services I am reminded of the remarks made recently by the hon. premier of Quebec while receiving a delegation which had, I believe, come to request assistance for home construction in the cities or something like that. He spoke out against what, I believe, he called "state paternalism". I would very much like to know what he means by "state paternalism".

Does the hon. member for Three Rivers approve of the opposition of the hon. premier of Quebec to "state paternalism"? I would like to ask the hon. member for Three Rivers to ask the other member for Three Rivers, the one who sits in Quebec city, if this "state paternalism" includes family allowances, allowances for the blind, pensions for incapacitated or aged people, that is, if by this "state paternalism" he means social security? I would also like him to tell me if when speaking out against state paternalism as practised by the federal government he means that he is opposed to family allowances, old age pensions or pensions for the blind. That must be his meaning because I cannot see how his expression could be otherwise interpreted and should we decide to follow the suggestion put forward by the hon. member for Three Rivers, we would entrust the provinces with the administration of those social services which are, at present, the federal government's responsibility. But, in that case, these social services might very well be reduced, if not be completely done away with, since the premier of the province of Quebec would include all these benefits under the general heading of "state paternalism" and throw them overboard. That is a consideration to bear in mind when one blames the federal government for administering social security.

I believe—as I said in English a few moments ago—that the people of Canada are satisfied with federal administration of social security and that every Canadian should be on the same footing. For in my province, favoritism has certainly occupied a place of honour in the administration of certain social measures, when the provincial government was responsible for them.

(Text):

Before I finish the first part of my remarks, Mr. Speaker, I wish to say I am convinced the time has come for this government to reduce taxes.

Mr. Fleming: Oh, no. Surely not.

Mr. Cannon: People realize that taxes are necessary under the circumstances but the people who are willing to pay high taxes are not willing to pay taxes if they have any suspicion that those taxes are too high or that they might be lowered. We have had large surpluses in the last two years and those surpluses have been satisfactorily explained, as far as I am concerned, by the fact that the national product of Canada has increased considerably in both those years beyond the point it was thought it would reach when the calculations were made by the experts who decided what the taxes should be. The very fact that the national income and the national product has increased, while it explains the surpluses, also justifies a reduction in taxation at the present time.

As one of the hon. members of the house said before in this debate, and I am tempted to use a comparison which is often used in the legislative assembly of Quebec, the Minister of Finance is the best minister of finance since confederation. Being the best minister of finance since confederation he

will realize that the time has come to reduce taxes, and that the burden now being borne by the Canadian people should be alleviated in so far as this is possible consistent with the obligations the federal government has to meet.

Now I wish to revert, Mr. Speaker, to the Magdalen islands, my home constituency, and to devote the rest of my speech to their requirements. My county is not very large, but it has more fishermen in it than any other county in the province of Quebec. As such it is certainly deserving of the attention of the Minister of Fisheries (Mr. Sinclair). He is not in the house now, but I will not fail to remind him of what I have just said.

I have always taken a particular interest in the fishermen's problems because of the fact that there are so many in my constituency, and I have always attempted to help them as much as possible. I have asked for help for the fishermen, both directly and indirectly. Under the first heading I shall put my request for a change in the regulations governing subsidies for the building of large fishing boats, in order to reduce to 45 feet the minimum length required to qualify for the subsidy. In that request I was successful, and I want to thank the federal government for having passed the necessary order in council.

There were other requests which I made to help the fishermen directly, and in which I was not so successful. I believe it is my duty to bring them again to the attention of the house. Two of these requests concerned help for the fishermen through the fisheries prices support board and unemployment insurance. These two requests come under the heading of direct help. In connection with the request for help under the price support program, I wish to quote to the house from a speech I made in 1951, as found at page 2363 of *Hansard*.

I have just been handed a note from Mr. Speaker informing me that my time has expired. I shall, therefore, have to cut short my remarks concerning the fishermen's situation. I shall take another opportunity of presenting their requests to the house. Before sitting down I wish to say that I shall look forward to hearing the speech by the hon. member for Eglinton (Mr. Fleming), when he will have the opportunity of asking me all the questions he wanted to ask this afternoon. The fact that I have had to curtail my remarks shows, I believe, that I was right in not allowing him to ask the questions.

Mr. Rodney Adamson (York West): Mr. Speaker, with the house in the happy mood in which it is at the present moment, I am sure you and the house will not be disappointed if I make a speech on the subject of gold and the convertibility of currency. This matter is, and continues to be, one of the most important matters facing all the democratic countries. It is a subject which is under intense and vital discussion at the prime ministers' conference in London at the present time, so I feel that certain things should be said here concerning the problem.

I want to deal briefly with the new emergency gold mining regulations which were announced at the beginning of the session. The new formula continues the old type of assistance under the Emergency Gold Mining Assistance Act. Although it does increase slightly the payments to be made by the government, actually the new formula, like its predecessors, is of little real help. Many mines have worked out what this assistance will mean, and one of them—Bralorne in British Columbia—has estimated that it will mean rather less than 50 cents an ounce. Actually I think it would be safe to say that the increase will not equal the increased cost of steel which has taken place in the past year. Certainly it will not equal the increase in the cost of steel and chemicals at any mine so far as I am aware. Nothing is done, of course, to overcome the problem of the wide labour differential between gold mines and the base metal mines which is causing so much trouble. I have heard it said that the increase will not compensate for the added cost of grinding balls and grinding rods in the grinding circuits of most mines.

I want to put the situation on this act as clearly as I can. The gold mines did not ask for a bonus. I have consistently said in this house that it was not right to ask the Canadian taxpayer to bonus any industry. Gold, like any other metal, should be sold for the price it can command, and any mine which cannot operate at that price should not be in operation. That price, however—this is the important factor—should be the free price and not the present broker-controlled price. There should be no restrictions on owning, storing, selling or exporting gold in any form. Only in this manner can we arrive at a true price. The $14 million we are currently asking from the taxpayer is an unnecessary burden. Furthermore, it is doing the mines no real good. Unfortunately the industry has now come to depend on this assistance, and it will probably be impossible to cut it off until the free market is well

established. In the meantime the assistance may cost between $20 million and $25 million a year.

Let us look at this business of the free market. The Minister of Finance (Mr. Abbott) has repeatedly stated in this house that the United States controls the price of gold. Actually, Mr. Speaker, nothing could be further from the truth. The United States, because of the restrictions it imposes on the ownership of gold and which are similar to ours, can under no circumstances be considered as being on the gold standard. Unless the treasury or the central bank will sell gold freely to its citizens and give gold in exchange for currency to any citizen requiring it, a country cannot be said to have a fully exchangeable gold standard. As I say, today the United States does not control the price of gold. If the United States stopped buying gold altogether it would not injure the Canadian gold mining industry. Actually, I believe it would help it.

As evidence of this fact, Mr. Speaker, I want to put on record the amount of gold which was purchased by the various central banks and by various governments during the past year. The figures are in millions of dollars, and I shall only quote the larger ones.

Country	Millions of Dollars
Argentine	52
Belgium	48
Australia	24
Cuba	40
Egypt	78
France	24
Indonesia	71
Italy	77
Peru	15
Portugal	72
Sweden	62
United States	53
Canada	262

This gives the national treasury of Canada the largest increase in gold in the past year, something like five times the amount that was added to the United States hoard. I call it "hoard"; they call it reserve. Can any member in this house say that when this country purchases five times the amount of gold the United States purchased last year, the United States controls the price of gold? I think not. The most important thing, however, is this, that of the amount of gold which was sold that year not less than $694 million went into private hands. Can any member of this house say that the private market, or the free market, is not large enough or not competent to absorb any gold that we may be able to produce? To say so, Mr. Speaker, is to make a statement which I think is untenable. These figures are published by the international monetary fund, and while in the past I have disagreed with the international monetary fund, and still disagree as to their policies, nevertheless we must believe that their statistics are correct.

We now come to the point that gold is what used to be called in my school days the X factor in the simultaneous equation; in other words, that gold is the common denominator upon which all currencies are equated. We have today the principal problem of trade between the commonwealth and the sterling area and ourselves in the dollar bloc. There is the fiction that there is a shortage of dollars. The United Kingdom continues to talk about a shortage of dollars; all the sterling bloc talks about a shortage of dollars. What they mean is that they have a shortage of goods to sell for gold. How are you going to get those United States dollars if the United States will only accept dollars or gold?

The way to do that is to bring gold out in the open so that the owners of any currencies, the owners of any goods, may be paid for in the open in terms of gold, which has a purchasing power all over the world. I do not say this will cure the difficulty, but it is one of the steps which should be taken so that the impasse between the sterling bloc and the dollar bloc can be broken down and have a common denominator in the market places of the world in terms of the one thing that all currencies are equated in, namely gold. It is my opinion, Mr. Speaker, that we have lost the opportunity of our young nationhood in not having gone ahead with this market long before this.

I come now to the United Kingdom problems. Twice in my lifetime has the freedom of the world been saved by the heroic actions of the citizens of that small island. It may well be that the wise counsel prevailing in London will be able to bridge the impasse that now exists in the United Nations. No man who is free today can ever pay his debt to the United Kingdom. But, Mr. Speaker, so long as wrong economics guide the policies, there is nothing very much that can be done. So long as currency control, embargoes and restrictions are imposed by any country, that country cannot go ahead and prosper the way it should, irrespective of the efforts of its people, great as they are.

There is of course the question in this case of the sterling balances to Egypt and the sterling balances to India. I feel that just as the war debts were found impossible of payment after the first world war, so the sterling debts which the United Kingdom accepted so readily to preserve the very freedom of both India and Egypt, and many other countries, should be treated very largely in

the same way as the debts to the United States of the first world war. To pay them is like borrowing a man's garden hose to put out a fire in his house, and then having him charge you for the water you used to put out the fire.

That, however, is a problem which overhangs the whole question of convertibility, and I shall not go into details in a speech in this house. Convertibility is one thing. Convertibility can be assisted by a free market in the common denominator of all currencies, namely gold. But besides convertibility we must have trade. As a matter of fact the two go hand in hand. Today there is fortunately a very distinct change coming over United States thinking in this regard.

I should like to mention the opinions of Dr. Benjamin Beckhart, who is the economic consultant of the Chase national bank. He is also professor of banking of the Columbia graduate school of business. Dr. Beckhart is an economist of note. But it is not because of his ability as an economist that I am quoting his opinions at the moment. It is because what he says is significant of the new trend in American thought. Dr. Beckhart said that in order to overcome this question of convertibility and trade, certain things had to be done. He suggested that the United States should lend assistance to Great Britain and other European countries who were trying to return to currency convertibility to take steps so that raids on their currencies would be prevented. He suggested that the international monetary fund should grant stand-by drawing accounts.

Another very important proposal was that there should be repeal of the buy-American acts, an extension of the reciprocal trade agreement acts, an effort to delete the peril point clause and the escape clauses. He said also that there should be a rewriting of the customs law so that it might be greatly simplified.

This gentleman is representative of the very highest type of modern American business. He is, if I may say so, representative of the sort of thought that is going into the future Republican administration in the United States. I believe it shows a very significant and hopeful change in the American attitude when we see men of Dr. Beckhart's calibre making these suggestions.

I now come to the subject of inflation. It is still with us; and because in the last year we had a slight falling-off in the cost of living we would be foolish to believe that there has been a reversal of the trend. As a matter of fact if one plots the curve of the cost of living, and other indices such as that of wholesale prices, he will find that the 1951 figure was what is known as a high erratic, in that it was well above the general curve of inflation which has been going on since 1935.

I think it might be desirable to put a list of figures on the record. I have taken wholesale prices as being the index least subject to government control. All indices are of course to some degree subject to government control; but wholesale prices have a very general application and offer the index which probably represents the most sensitive indication of the nation's economy. These figures are from the dominion bureau of statistics, and are set out in the September issue of the bureau publication. They are as follows:

Year	Price index figure
1935	94·4
1936	96·8
1937	101·2
1938	102·0
1939	99·2
1940	108·0
1941	116·4
1942	123·0
1943	127·9
1944	130·6
1945	132·1
1946	138·9
1947	163·3
1948	193·4
1949	198·3
1950	211·2
1951	240·2

In 1952 the index figure dropped back to 232; but the 1952 figure, as of December, was up again to 241·7. Now, what does this all mean? It means that each year the prices of wholesale goods have increased, and they have increased in those 17 years about 135 points or an annual increment of about 8 points. Or, if we take the year 1938 as 100, it represents an annual increase of about 8 per cent. That trend is continuing. Another interesting thing is that this curve is similar to all other indices in Canada, including those of building materials and wage rates. As I have said, the cost of living has certain generalizations in it which dampen it down somewhat, but there again the similarity is striking.

What happens if this goes on? It simply means that the value of the dollar decreases just that much every year. If this trend goes on it means that in respect of things such as old age pensions, a man now in his fifties who is paying for an old age pension will, at the age of seventy, draw in terms of today's dollar, a sum equal to about $19. A man with life insurance who expects to retire with a capital of, let us say, $10,000 will have to save $20,000 in order to have $10,000 in purchasing power 20 years from now. A man with government bonds paying him 3 per

cent, in the face of this constant inflation will stand a net loss of about 4½ to 5 per cent in terms of purchasing power every year he holds that bond.

This must be stopped; because if it is not stopped we will destroy the very security we are trying to protect. Someone may say that it is all very well, that a man can invest in common stock equities, that a man can invest in prime real estate or buy a farm or take his money out of the country. That is all very well for the wealthy. But today in Montreal and Toronto only 6 per cent of all wage earners earn more than $4,000 a year. Recent surveys show that 94 per cent of all the wage earners in Montreal and Toronto receive $4,000 a year or less and must depend upon such things as life insurance, government bonds and bank savings accounts. It is their security that we are destroying by this constant inflation.

From time to time I have suggested that the only way to attack inflation, the only way to stop this rot in the currency, is by returning to a fixed gold standard. That is some distance in the future; it is not practical immediately because we do not know what the price of gold is going to be. We do not know where it will stabilize itself. But we do see the rot, we do see this thing going on and we are as yet powerless to stop it.

Because there has been a decrease in the cost of living during the last six or eight months can we say that is the trend, especially with an increased cost for basic steel, and increased cost for coal and undoubtedly an added cost for freight because of higher wage rates for the railway workers? To do so I think would be unwise and wrong in every possible way. We say that we are having a boom. Our trade is at record levels. We are spending $500 million at Kitimat; we are building the St. Lawrence power project and waterway by ourselves. Our dollar is at a premium. Our budget is in balance, with a huge surplus. Those are fine things, of which every Canadian should be proud; but what good are they if the security of the people we are trying to protect is destroyed? This is not happening quickly as was the case with inflation in Germany, but there is a continual eating away of the purchasing power of our currency, and with it goes the savings of our people.

To say that the trend is downward and inflation beaten because a few indices have turned downward, is it not rather like saying that highway fatalities have stopped, that we have cured the highway traffic accident problem because there has been a week end without fatality or a Christmas season practically free from accidents? I think both arguments would be completely fallacious.

I should like to say one word about the price of gold. It is not the function of any government to set the price of gold. Gold is not the plaything of any political party. Gold is the people's security against all political parties. Until the people are allowed to have gold, that security is taken away from them by this inflation I have been talking about.

I do not know what it will be set at. I have no idea where it will adjust itself. But if it follows the general line and if the price before the war was adequate, we must think of gold in terms of the indices which I have quoted and expect a price at least double, or probably more, the pre-war price before it can properly fulfil its function. To place gold at any price and not let it go free would be just as dangerous and wrong as to maintain it at its present price and thus destroy the mining industry. The prime function of gold is to act as a monetary value. To sterilize it even at any price and not allow it to fulfil its historical function of being the safeguard of the savings of the people is wrong and dangerous. Furthermore it is the road to revolution.

Mr. Speaker, I have about five minutes more and there is one further item I should like to deal with. May I call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Adamson: Mr. Speaker, before the dinner recess I was trying to make one point, namely that no government has the right or prerogative to say what the price of gold shall be unless that government is prepared to exchange the national currency into gold at that rate without restrictions of any sort whatsoever. I think the incoming administration at Washington understands that. Gold is the citizen's supreme safeguard against dishonest government.

I want to refer briefly now to the possible —I do not say "proposed" although it is proposed—diversion of water from the Atlin lakes in British Columbia and the Yukon and also from lake Laberge over the pass down to Skagway, Alaska, for the development of a very large amount of hydroelectric energy and the creation of an aluminum smelter. There are certain factors to be considered. The Yukon needs power to develop her natural resources and the promise of this abundant electric power is certainly very tempting. However, the water belongs to the province of British Columbia which under

the British North America Act is the owner of her own natural resources, and her interests must certainly be considered. If I were a British Columbian, particularly one from the northern part of the province, I would give the matter most serious thought before I approved of the removal from the province of so much essential primary power.

The next point is that the future of the Yukon lies in the development of her mineral resources. There are two essential requirements involved. One is power and the other is water as distinct from power. The new discoveries of potentially great mineral resources that have been indicated by companies such as Hudson Bay, Ventures and others will certainly require power, but they will also require water. They will require water for their milling and mining and for the use of the communities that may grow up around these developments if they take place. The potential of the Yukon is just being remotely scratched at the present time. In the last few months the indications have been that there is a storehouse of minerals there equal to or greater than that of old Ontario and Quebec. We speak of "old Ontario" now as being the Timmins and Kirkland Lake area and of "old Quebec" as being the Noranda and Bourlamaque belt.

If the storehouse of the Yukon is to be developed we will require power; but we will also require water, and if the Yukon river is diverted to such a degree that this essential water is taken from us it may seriously hinder the development of these new mining properties. I realize it is more efficient from the point of view of per cubic foot of water to turn it over the pass and get a thousand foot head instead of taking it down the Yukon river. Infinitely more power can be developed in this way than at such sites as Miles canyon and others on the river; but the essential thing is that we must take great care not to lose the water without adequate safeguard.

The question of navigation also is important. The Yukon river is shallow, and the removal of a large percentage of the flow of water from the lakes and headwaters feeding the Yukon river will make navigation that much more difficult. There is some coal development at Carmacks but it is not of a very high quality and the obtaining of power therefrom is certainly a doubtful economic factor. The Yukon river freezes five or six feet deep, but there is still water flowing underneath it at Dawson. If the flow is considerably decreased it is conceivable that the Yukon may freeze solid, as do such rivers as the Hay, and become useless in wintertime as a source of water.

I realize that so far as the development at Keno Hill and other places is concerned there is a supply of water available all through the year from deep lakes. These developments of course are not on the Yukon but on a tributary of the river. I mention this matter not for the purpose of saying that the proposal should be damned out of hand but to indicate that most careful consideration should be given before a natural resource is diverted from the Canadian watershed over the international border and the resulting power and water thus pass out of our hands. There may be an agreement, or an agreement may be worked out between the Aluminum Company of America and the other governments—the Yukon government, the government of British Columbia, the federal government and the government of Alaska; nevertheless at the moment I would certainly be opposed to this development until I could be absolutely satisfied that no harm would result to the over-all economy of the Yukon. At present, Mr. Speaker, I consider that the danger of doing irreparable damage to the whole life of the Yukon is too great to proceed without the most careful consideration of this matter.

(Translation):

Mr. P. H. Spence (Roberval): Mr. Speaker, before proceeding with my remarks, it would be very ungracious on my part if I did not offer my warm congratulations to the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne. It gives me even greater pleasure to do so since I was elected on the same day as those two members. Yet, in spite of all my sympathy for them I must say that I do not share their views.

The electors of Roberval county have entrusted me with a few messages for the government and it gives me great pleasure to speak on their behalf.

The constituency I represent is located some 200 miles north of Quebec city, on the south and west shores of lake St. John. I wish to make its position known because my electors are under the impression that their constituency has been forgotten in the past. I hope that the circumstances surrounding my election have contributed to put it on the map once again.

I will not pretend that my constituency has been totally and completely ignored in the past, because one of my predecessors was

named, some years ago, to the board of transport commissioners and my immediate predecessor, your assistant in this house, occupied the chair in which you are now sitting, Mr. Speaker. I must pay a tribute to my immediate predecessor, His Honour Mr. Justice J. Alfred Dion, who owes to his personal qualities his nomination as judge of the superior court.

If my constituency has reason to be proud of its representatives, unfortunately it has no reason to be satisfied with the treatment meted out to it as far as its particular needs are concerned. No doubt, this is one of the reasons why my constituents have decided to withdraw, once and for all, their confidence in the Liberal party—

Mr. Dupuis: For the last time.

Mr. Spence: You said it. We will see about it later. Our district, which includes the constituencies of Chicoutimi, Lapointe, Lake St. John and Roberval, is served by the Canadian National Railways. I belong to a family several members of which have been employees of this railroad at one time. As a matter of fact I myself worked for the Canadian National Railways for a couple of years. I even have a relative who lost his life in an accident.

I moreover belong to one of the pioneer families of that district known for the tastiness and abundance of its blueberries. I heard from my forebears the story of the various changes which have taken place in the structure and the names of the companies which preceded the Canadian National Railways and which eventually led to the government assuming control of them.

Our first railway was built approximately 70 years ago in answer to the needs of the early colonization period. Since its construction, there have been absolutely no changes in its route. As for the road itself it has been improved very slowly, and generally after disastrous derailments or collisions due to the poor organization of the system.

And, Mr. Speaker, you may be sure that these accidents were by no means due to excessive speeds since even today—I mention the fact just for the sake of comparison—the trip from Quebec city to Dolbeau, a distance of 233·4 miles, takes 10 hours and 35 minutes, the average speed being 22 miles per hour. On the other hand, modern trackage and straight lines between the larger urban centres make it possible, for instance, to cover in six hours the 289·5 miles separating Ottawa from Quebec city.

I recognize the fact that passenger service may not be a source of large revenue in our region. I know, however, that express and freight services make that section of the Canadian National system one of the most profitable to operate. A great many freight trains run on that line each day, carrying farm produce and the output of our six pulp and paper mills, of our two aluminum plants and of our numerous lumber mills.

They also carry all the goods required to satisfy the needs of our industries and our population. The latest census, that of 1951, shows that our district, which is served by one railway only, the Lake St. John railway operated by the Canadian National, has a population of 197,910; that is more than twice the population of Prince Edward Island and 55 per cent of the population of the province of Newfoundland.

For years now we have been asking for the rebuilding of this line or the construction of a new line suited to our needs, but always to no avail. The Canadian National Railways should get such a project under way without delay and should also undertake the building of a railway to serve our Chibougamau mining area where, according to authoritative sources, the capital which is continually being spent will be useless as long as there is no railroad into that district. However I shall have other opportunities of discussing this matter during the present session. Yet, I would like to draw, for the benefit of the house, a comparison between our railways and our highway system. By railroad, the distance between Quebec and Chicoutimi is 227·4 miles and by automobile the distance is only 132 miles or less than two-thirds the distance covered by the railroad. It is easily done in three hours while it takes ten hours to do it by train.

The progress of our highway system has followed and sometimes preceded agricultural, industrial and commercial development in our district, while our railway system has undergone no change whatsoever since the days when our district was first opened to colonization. As a matter of record, I must say that our highway system has been improved through the generosity of the present

premier of Quebec and through the untiring efforts and undisputed ability of the member for Chicoutimi in the provincial legislature, the Hon. Antonio Talbot, minister of highways.

Mr. Speaker, I must say that if you had the opportunity to travel by railroad in my constituency, you would be perfectly convinced that we are not the ones who, in order to improve our railroad, have stolen rails from the Petawawa military camp.

In the course of recent debates, I heard the hon. member for Assiniboia (Mr. Argue) say, and I quote from page 157 of *Hansard:*

(Text):

Mr. Speaker, I had intended to go over what I feel is discrimination in the collection of income taxes from farmers in various parts of Canada. I was going to refer, as I have on previous occasions, to the fact that while approximately $6,725,000 was collected in 1949 from farmers in Saskatchewan, for example, in the same year only $51,000 was collected from all the farmers in Quebec. I had hoped to answer some of the statements made towards the end of the last session by the Minister of National Revenue (Mr. McCann). I can remember him saying that it was difficult to collect farm income taxes in Quebec, but even so in that province the government had only 22 income tax inspectors, whereas in Saskatchewan where according to the minister it was a simple matter to collect income tax from the farmers, he had 60 income tax inspectors.

(Translation):

The authorities in the Department of National Revenue, in my opinion, surely know where to find the money, and if the department keeps 60 inspectors in Saskatchewan and only 22 in the province of Quebec, it may be that more supervision is required in the province of the hon. member. In any event, it is certainly because there are a great deal more income taxes to collect from Saskatchewan farmers than from those of the province of Quebec.

I think, Mr. Speaker, the statement of the hon. member for Assiniboia is misleading and cannot but prejudice the reputation for honesty of the most deserving and respectable social group of the province which I represent.

I do not wish to make an extended eulogy of the farmers of Quebec, but I would like it to be remembered that they are the pioneers in this country and that, if only for that reason, they should have a right to expect to be spared some misleading insinuations.

Nobody should be surprised if the farmers of Quebec do not pay as much taxes as the western farmers. There is no comparison at all between the two types of farming nor between the revenues involved, especially. True they do have a guaranteed support price for their product, but such a support price does not even allow them to break even. In spite of such support prices indeed they are, at present, obliged to sell their products below the supposedly guaranteed level. In most cases their income tax forms show a net loss.

The first time I spoke to this house, on June 26 last, I said, as reported on page 3801 of the English *Hansard* for that date:

As a result of production costs today and of the closing of foreign markets, our farmers are suffering serious losses in the marketing of their products, ranging from 10 to 25 per cent.

And again, on the same occasion, I said:

—the farmers in my province are under the impression that the Minister of Agriculture denies them the same measure of protection he extends to farmers in other parts of the country. They are not opposed, it is to be noted, to the assistance provided to the wheat producers of our western provinces. They only wish to receive the same consideration from government authorities.

It is my impression that if the farmers of Quebec were better treated, they might also be in a position to pay income tax.

Referring again to the question of farmers' income tax, I should like to point out to the hon. members here present that the professional farm organizations of the province of Quebec provide their members with competent officers to advise them on their income tax problems.

They are advised to file returns, even if they have no profits to show. They are advised to make out returns because they are thus obliged to keep books, which enables them to find out what part of their production is unprofitable. On that score, I do not think it can be said that there is a lack of good faith on the part of anyone.

I also want to point out a downright anomaly in the Income Tax Act as far as our family farming is concerned. Unfortunately, our legislation makes no allowance for this.

Farming, in the province of Quebec, is a family affair, with every member of the family doing his share of the work on the farm. The children start helping as soon as

they reach their tenth or twelfth year. Even the young girls at certain times of the year do their good share of the work, and often the mother must divide her time between housekeeping and farm work. It is the mother, for instance, who looks after the truck garden, and in many parts of our province when the head of the family must go away to the lumber camps in winter in order to be able to go on working his land during the summer, it is the mother who looks after the livestock.

I quote the text relating to the matter of family help, in our Income Tax Act, according to the "Farmers and Fishermen Guide" 1951 edition, as reproduced in the *Action Catholique* of Nov. 27:

' Salaries earned by children are deductible only inasmuch as:

(a) those salaries have been paid in cash during the year;

(b) the services were rendered with a view to producing the income;

(c) the services would otherwise have required the hiring of help and

(d) the amount is reasonable, taking into account the child's age and the wages which would otherwise be paid to an outside worker to perform the same task.

One cannot claim as expenses the value of the upkeep of dependent children.

The *Action Catholique* from which the quotation is drawn goes on saying:

Let us assume that a farmer has three sons and that the work they do on the land is not paid for, for this land will one day be theirs and they shall profit by the improvements to it. Now if, in this case, the father does not pay his children any wages, all the income from the soil will be considered from the point of view of income tax, as having been earned by only one man, that is by the head of the family. This situation is unfair and contrary to common sense, but it nevertheless exists under our present Income Tax Act.

Our legislation only provides for cases where wages were paid during the current year; consequently, wages paid in former years may not be considered in the event of the father's death, for instance, and are only deductible if used to pay for services rendered in order to produce revenue, for which services the farmer would otherwise have been obliged to hire labour.

In practice, this is equivalent to saying that the farmer, who is paying wages to the members of his family, may not put these wages down as expenses, for, in a number of cases, he would not have hired any labour for this work.

I believe that a revision of our Income Tax Act by the Department of National Revenue is urgently needed, in order to correct this anomaly.

[Mr. Spence.]

I am sorry, Mr. Speaker, that this government should not yet have found markets for our farm products. In the meantime, our farmers see their products piling up in an alarming way in warehouses. All cold storage plants of the country are being filled to capacity with farm products for which we cannot find markets.

In spite of support prices, our farmers are compelled to sell their pork and beef for the low prices that are offered them on account of the glutting of the market. Floor prices being already too low, since they are 15 or 20 per cent lower than they were six years ago—when bacon hogs were selling at 32 cents—and the cost of feed and labour having increased, our livestock breeders are having unjustified deficits this year.

It should be recalled that during the last world war our dairy farmers and other agricultural producers made heavy sacrifices in order to help the cause of free nations. Owing to their generous contribution, they were promised at that time that once the war was over and business got going again in a normal way, they would have markets readily available for their products. Unfortunately those who believed in those promises are now greatly disappointed. For some time following the end of the war, they were able to get fair prices. Then, they incurred considerable expenses in order to improve their production and modernize their farms. And now, year after year since 1946, while the cost of living index, for them as well as for the other social groups, went up from 143 to nearly 185, the marketing possibilities have been dwindling, bringing about a considerable drop in the prices of agricultural products. Our farmers will be struggling against a hopeless situation, unless there is immediate action on the part of the Department of Agriculture.

I would like to deal briefly with the most pressing problems we are facing today, i.e., federal-provincial relations.

The province of Quebec is anxious to see the question of taxation powers as far as direct taxes are concerned—which belong to the provinces but have been taken away from them by the central government—settled once and for all and in a way acceptable to all. This view is shared by other provinces also, and some have already shown how dissatisfied they are with the agreements now in force.

But if there is a general impression abroad that only Quebec is not satisfied, that is because the prime minister of that province has steadfastly refused the federal proposals and shown an unshakable resolve that the provinces will retain the rights which were assured to them when first they united to form the Canadian confederation.

When the central government enters the provincial fields, the constitution is being violated. The federal government is not a superior body which has delegated certain powers to secondary or district administrations and which is in a position to do away with such powers of its own volition, according to the whim and fancy of those who direct it. No, Canada is a union of autonomous provincial states, independent from one another and independent from the central authority in those fields which are their own.

It is quite possible, of course, that our federal system, now 75 years old, may need some readjustment. I am not competent enough in the legal field to answer yes or no. Nevertheless if there were some readjustments involved, it should never be carried out without the unanimous consent of all the contracting parties.

Mr. Dupuis: This has been done.

Mr. Spence: But as soon as one of the contracting parties impinges upon the jurisdiction of his neighbour, we fall into abuse of power, into disunity. There is also the danger of falling into duplication of services working in the same spheres, thus doubling the charges to be borne by the taxpayers.

To our regret, the speech from the throne makes no mention of the federal government's intention of entering into discussions with the provinces in order to settle this question once and for all.

As long as the present situation exists, conflicts will multiply between the provinces and the federal government, and our municipalities and school boards will have to be content with grossly inadequate budgets. Even if our municipal councils and school boards make every effort and exhaust themselves in their attempts to find solutions to their problems, their efforts will remain futile, because the taxpayers are already substantially overtaxed. It is only by a new redistribution of taxation fields that it will be possible for them to obtain new sources of income.

And such redistribution will only be made possible when taxation rights monopolized by the central government have been returned to the provinces. Arrangements between the municipalities and the provinces will then be possible and advantageous.

I wish to congratulate the Leader of the Opposition (Mr. Drew) on the stand he took in this connection. It met with general approval in Quebec and throughout the country. The press was unanimous in commending his stand.

Le Devoir of November 29, in an editorial entitled: "Power to starve" and signed by its managing editor, Mr. Gerard Filion, stated:

> The leader of the Conservative party, Mr. Drew, has set out more strongly than ever the stand of his party on the question of the distribution of taxing powers. He came out flatly against the existing federal-provincial agreements and for an agreement between Ottawa and the provinces that would allow each government to retain the taxation fields necessary for the discharge of its responsibilities.

Mr. Fleming: Hear, hear!

Mr. Spence: To go on with the quotation:

> Mr. Drew reminded us of the temporary character of these agreements and he chided the federal government for their obvious unfairness; have they not, indeed, extended to peace time, agreements which should have applied only to war years? Mr. Drew has called attention to the recent objections of the premier of Nova Scotia, Mr. Macdonald, as well as to the displeasure expressed by the premier of Ontario, Mr. Frost, at the time the agreement was signed between Ottawa and Toronto. He charged the Liberal government with the responsibility of a policy conducive to the gradual ruin of the provinces, which tend to fall under the financial domination of the central government.
>
> All well considered, Mr. Drew seems to have definitely joined the ranks of those who support fiscal decentralization. He is for the respect, in every detail of the letter, of the confederation pact, which grants to the provinces priority in the field of direct taxation for provincial purposes, as well as the spirit of confederation which gives autonomous powers to Ottawa and to the provinces within the limits of their respective jurisdictions.

I am convinced that the province of Quebec would support any reasonable formula which would safeguard its rights. Mr. Duplessis, the avowed champion of provincial rights in the province of Quebec, has proved with sufficient clarity that his intentions are sincere, for he told the delegates he recently met—and I quote *Le Devoir* of November 27:

> If I knew that my withdrawal could definitely settle the constitutional problem, I would abandon politics because the life of a man is unimportant when the survival of a people is at stake.

Mr. Speaker, if I were a government supporter—

Mr. Langlois (Gaspe): That is very candid.

Mr. Spence: —I think that I would take note of that statement by the premier of the province of Quebec—

Mr. Dupuis: Don't worry, he will not go.

Mr. Spence: —because that statement should bring the federal government to undertake immediate negotiations with the provinces.

I also regret that the government makes no mention in the speech from the throne of its intention of putting an end to the wastage of public funds, of which examples have been given in this house by the hon. Leader of the Opposition.

As my time is limited, I will not deal at any length with the purchase of boots, shoes, ties, teapots, rugs and carpets. Neither will I speak of the raincoat purchases.

However, I wish to point out that in the county of Roberval, which I have the great honour of representing in this house, I know of very few heads of families with enough money to buy for their children and for themselves $15 shoes at the rate of 10 pairs a year, clothing at the rate of $1,400 every second year per person, raincoats at the rate of 16 per person per year, and ties by the dozen—

Mr. Dupuis: During the depression, they didn't have $10 either.

Mr. Spence: You came into my district and nobody would listen to you!

On the other hand, I know of a great many heads of families, whose earnings, acquired by them through their own labour, under difficult conditions, are largely funnelled away, through direct and indirect taxation, to the federal treasury, from where they emerge once more to be squandered with no regard to even the most elementary principles of economy. And yet these men would really need to retain a greater part of their earnings in order that their children may be assured of the benefits of the education to which they are entitled.

The financial advisers of the Department of Finance would be well advised to mingle with the people. They would then be in a position to see how the burden of taxation is giving rise everywhere to discontent. On their return they might well give some judicious advice to their superiors.

Mr. Langlois (Gaspe): There is Mr. Duplessis' sales tax too.

Mr. Spence: There is no Mr. Duplessis here.

Mr. Fleming: High taxes will make you lose the next election.

Mr. Spence: We are in urgent need of housing in Roberval county. We are facing a situation which is getting worse every day, and in an alarming way.

Young people who are founding new homes have no place to live in, unless they are satisfied with one or two rooms, and heads of families with children must rely on the law to keep the accommodations they have. Such a situation cannot last indefinitely. When rent control is abolished by the Quebec government—and that is bound to happen sooner or later—homeless families will be numerous.

Mr. Boisvert: That is again a provincial responsibility.

Mr. Spence: Never mind, you will have your turn also.

The high cost of living, the cost of building materials, the cost of labour are all factors which make it impossible, in practice, to build a house for a family of average income, in the present circumstances. And I suppose that when all these things go down, there will be no more money left for building purposes.

Here and there commendable efforts are attempted to overcome the difficulty. Housing co-operatives may be credited with real achievements but they are not able to fulfil all the demands, owing to the lack of interest for that kind of loan on the part of lending institutions in general or to the fact that the initial amount to be supplied by the would-be owner is too high, or again because our municipalities are not able to service the land for those who want to build, as for instance in my own town of Mistassini.

Mr. Boisvert: Mr. Duplessis is against it.

Mr. Spence: We started fifteen years ago at Dolbeau—the most prosperous and interesting industrial centre of my county—a housing co-operative, and it was only after many years of work and research, of studies, of canvassing loan companies, and of devotion on the part of the officers of our co-operative, whose services were—I take pleasure in saying so—voluntary, that it became possible to undertake the building of a score of houses.

May I briefly emphasize that the cost of these housing units is most advantageous, and that the plans used by the co-operatives have enabled them to build very nice homes. Nevertheless, the project could not have been carried out, if the Société des Artisans Canadiens-Français had not agreed to grant the necessary loans. It gives me pleasure to pay tribute to this society for its great understanding of social problems and for having, more particularly, made the Dolbeau project possible.

It is urgent that this government bring about the necessary changes in the housing act, so that prospective owners can make use of it.

There is everywhere a serious housing problem, in our small industrial towns, in our rural parishes, as well as in our great urban centres.

The housing co-operatives are the most appropriate organizations to undertake such projects. And the Minister of Resources and Development (Mr. Winters) would certainly be well-advised to get in touch with those co-operatives and ask for their suggestions with a view to launching a really practical and economical program.

They have had practical experience and their advice could only be quite sound.

Since reference was made recently in this house to the Roberval election, you will allow me, in closing my remarks, to address a message to the member who raised that question.

Following a by-election in which a Bloc Populaire candidate had been elected to the house, the hon. member for Portneuf (Mr. Gauthier) made the following declaration, which can be found in *Hansard*, page 128, volume I, session of 1944:

I note with satisfaction that the Liberal members seem to have fully recuperated from the fatigue of their pilgrimage to Stanstead.

Mr. Speaker, I have personally noticed, since my arrival here, that the 15 or 16 Liberal members, including a minister and a parliamentary assistant, who went to Roberval to launch a crusade last May, have not yet recovered from their disappointment.

Mr. Langlois (Gaspe): You have not recovered from your own surprise.

Mr. Brisson: It is hard to do so.

Mr. Spence: That was, Mr. Speaker—

Mr. Chevrier: Now is the time for applause!

Mr. Spence: That was, Mr. Speaker, a real crusade. The people of Roberval were more than a little surprised to see among the Liberal members who came to pay them a visit on that occasion the former organizer for the Bloc Populaire Canadien, the member for Portneuf, and the former Conservative party organizer in Quebec, the hon. member for Bonaventure (Mr. Arsenault).

Mr. Langlois (Gaspe): You will agree too that that is the only time you ever won an election.

Mr. Deputy Speaker: I regret to interrupt the hon. member but I must point out that his time was up at eight fifty-three. Does the hon. member have the unanimous consent of the house to go on?

Some hon. Members: Let him go on.

Mr. Deputy Speaker: Very well, the hon. member has unanimous consent.

Mr. Spence: Mr. Speaker, I only have three lines more to say. The hon. member for Portneuf spoke of neckties in his speech. Will you allow me, Mr. Speaker, to say that that must certainly remind him of a certain story about pants which, some years ago, precipitated quite a sweep in a provincial legislature to which he belonged. Possibly he is afraid that this story of ties may bring about the same consequences next year for the party to which he belongs.

Mr. Gauthier (Portneuf): Mr. Speaker, I rise on a question of privilege. The hon. member spoke of my work in his county as organizer for the Bloc Populaire during the provincial campaign of 1944, but he forgot to mention that he was one of our supporters and that I went to his place—

Mr. Deputy Speaker: Order!

Mr. Spence: Mr. Speaker—

Mr. Deputy Speaker: Order! The hon. member for Portneuf rose on a question of privilege, but I must inform him that the matter he has raised does not justify his speaking on a question of privilege.

Mr. Gauthier (Portneuf): It was his privilege and mine.

(Text):

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I regret having to prevent the taking of a vote at this time, but I wanted to say something directly on the subamendment. Before doing so, may I say that this alignment of gadgets hanging from the ceiling of this chamber has in my opinion given it the appearance of a coal mine washhouse. In a mine washhouse there are a number of ropes hanging down from the ceiling, each with a little basket in which the miner places his clothes when he has changed. My first reaction on looking at the chamber with its present arrangement was that we had turned the House of Commons into a mine washhouse. It may have improved the facilities in the galleries; visitors may be able to hear better up there, but I do not think it has done much for the chamber itself.

Mr. McIvor: It sure does.

Mr. Gillis: In my opinion all it does is give our voices a kind of harsh, rasping sound. It does not improve the acoustics in the chamber very much. In fact when Mr. Speaker is deciding a point of order, as you did a few minutes ago during the donnybrook, it is quite hard to hear. I could not hear you, as your voice was muffled and not clear at all. All I got was a sort of hollow sound and your instructions or orders were not very clear. If at times we do not seem to be obeying the rules strictly it will be due

to this gadget arrangement. I think it needs looking over, because it is not very effective.

There is another thing I should like to mention before I take up my main topic. I have had one pleasant experience since the house recessed. As the older members of the house will recall, for approximately ten years I was on my feet quite often asking for the construction of a permanent crossing of the strait or Canso. Many sceptics told me that this was simply a political issue, it was just a dream and nothing would ever come of it. However, I never lost faith because I knew that the Minister of Transport (Mr. Chevrier), who had a lot to do with the project, had as much faith in this undertaking as I had.

Ultimately the government made the necessary appropriations and a couple of months ago I had the pleasure of going up to the strait of Canso on the invitation of the construction company handling that contract. The project is well under way at the present time, in fact they are working around the clock and doing an excellent job. It was my pleasure—and I can say most sincerely it was a pleasure—to stand there one very cold and dreary afternoon and watch the Minister of Transport push the lever that fired the first blast knocking a huge portion of cape Porcupine into the strait of Canso. An old gentleman was standing close to me who was about 80 years of age, and who evidently had been a Liberal for at least sixty years. He did not know me at all, but he tapped me on the shoulder and said, "My boy, that is the kind of minister to have. When a mountain gets in his way he blows it up." So it was a very pleasant experience, and because I have been a carping critic for many years it gives me great pleasure to say now what I have said. My faith was justified, and by and large in this world if you have not faith you have not much left.

I should also like to say a few words about a problem that is not Canada's alone but is world-wide. When I sit in the house and listen to members arguing over small political issues, members demanding more social security, less taxation and so on, it is an indication to me that democracy is at work. But the thing we have to keep in mind is that we must be very careful not to select people and give them power merely for the purpose of holding power. Most of our internal problems today are affected by external problems, by affairs outside of Canada that have the whole world tied into an economic knot, and these matters must be given a great deal of attention.

Yesterday I listened to the Secretary of State for External Affairs (Mr. Pearson). We are all very proud that he has been elevated to the position he holds today. Regardless of where he sits in this house he is still a Canadian, and to be selected for an international post such as he holds indicates that he is a man of some considerable stature. As I listened to him yesterday afternoon I recalled listening to the same man three or four years ago, and I thought he was not the honest Mike Pearson that he was then. I am not saying that he was not honest, but in his short statement yesterday afternoon he appeared to me to be hesitant, doubtful, uncertain and fearful. These are complexes that are not peculiar today to the Secretary of State for External Affairs. They affect practically everybody in the country, and any member of the house who travels throughout the country, meets audiences of people and talks to them finds exactly the same complexes in every section of our society—uncertainty, doubt and fear.

In my opinion it adds up to the fact that nobody has measured up to the responsibility of giving leadership fearlessly without regard to politics, religion or anything else. I have read a little bit about the problem. As most of you know I am not an expert. I am just a coal miner, but I try to sift the facts of the problem as it exists. We must stop and think for one moment about what is taking place outside of Canada which has a terrific impact on our internal problems. We must remember that since the major shooting stopped in 1945—because the war has never ended—we have entered into a new war, the cold war, the war of ideas. I believe that in 1945 the countries that now form NATO took a fair and reasonable position. Their intention was to bring about recovery. They intended to devote the economies of the countries that were productive to the rehabilitation of the countries that had been devastated by war. We began immediately to disarm and scrap our merchant service, and the whole emphasis so far as North America and Great Britain were concerned was on recovery. A terrific drain was placed on the economies of Great Britain, Canada and particularly the United States.

Our main emphasis was on recovery; but the other fellows, the Soviet union, who threaten the peace of the world today, took the reverse position. Instead of adhering to the policy of no territorial ambitions which they had followed throughout the years and following up the idea that they were just our allies in a great crusade against fascism, they immediately began a program of imperialist expansion and the utilization of satellite countries in order to further their own ends. That forced our countries into the position we have taken. We had to form

the North Atlantic Treaty Organization and there were other measures such as UNRRA, Marshall aid and so on.

In order to prevent war we are forced into a position today where we must drain our economies. We must spend billions of dollars on military equipment for necessary defence purposes in the cold war. We are up against Korea. We are up against all kinds of problems, and as a result the economies of the free nations are being drained in two directions. First of all we are trying to rehabilitate the devastation of war and help backward countries through our production year after year, and on top of that we have to rearm to defend ourselves in the cold war going on at the present time.

The people who have forced us into this type of action are sitting back. They are military countries. They do not have to sell their people the idea of a defence program and taxation. They order it, while we have to sell these things to our people. The whole totalitarian set-up is based on force and action. They have their objective and they are sitting back within their own borders, not using their manpower, conserving their resources and using the manpower, economies and everything else of the satellite countries all around them. That is the problem with which we are faced, and it is one that is not being made clear to the people of Canada.

I do not find many people taking the platform today and selling our people the idea that if we are to preserve the civilization of the world and prevent disaster it is necessary to build up our security, to arm so that we may defend ourselves if and when we are attacked, while at the same time making available to our people what social security we can. I say the press of this country is not doing a good job in that direction. Pick up practically any newspaper from one end of this country to the other and take a look at the editorial pages where the brains of the press are supposed to be spelling out the problems that confront this country. Instead, you will find them quibbling with a lot of nonsense.

Some hon. Members: Hear, hear.

Mr. Gillis: Many of the editorials do not mean a thing. I think each newspaper should allocate one man to make a study of this whole international situation, this cold war and defence in the cold war. That is necessary to inform our people and give them an objective to aim at, particularly a time period when this might be over. Someone should be doing that kind of thing. I mention it this evening because, as I go through this country, I am frightened when I meet people who are confused and fearful and who have no idea where they are going.

I hear people screaming about taxes. All right; the most popular fellow in the world would be one who would stand up and say: I am against taxes completely, and nobody should pay taxes. Well, that would be fine; but at the moment I am not going to be dishonest enough to advocate that to the group of men on the other side of the house. I would take the same attitude if it were the Conservatives over there, and I would take the same attitude if it were the Social Crediters over there.

An hon. Member: What about the C.C.F.?

Mr. Gillis: If the C.C.F. were over there I would still take the same attitude. You cannot go out and sell the people the idea of spending $5 billion on arms unless they know it is necessary. About 51·6 per cent of the tax dollar goes for national defence. Approximately 11 per cent goes for social security, and the rest goes toward the administration of government, veterans' allowances and all that sort of thing. If I were going to say that I did not want to pay any more taxes I would have to be honest enough to tell the other fellows that they would have to cut out something, and there is nothing I can see today that you can cut out.

Now I would just like to say a few words on this amendment to the amendment. If the amendment to the amendment is carried, as I expect it will be—

Mr. Coldwell: Faith again. Great faith.

Mr. Gillis: —it means more expenditure. The amendment to the amendment is very simple. It does not demand anything and does not tell the government that it has to do anything. It is very simple, and I am going to put it on the record again because anything that is worth while is worth repeating. It says:

> We regret further that Your Excellency's advisers have failed:
>
> (a) To recommend legislation establishing a nation-wide health insurance program, with provision for provincial administration;
>
> (b) To implement their proposals to the dominion-provincial conference of 1945.

There is no regimentation there. That does not take away any provincial jurisdiction. It advocates co-operation with the provinces. It is not unreasonable to ask the government to implement or try to put through proposals they have already made. In 1945 they made these proposals.

Now let us have a look at this business of a national health program. Some people here say it is state medicine. Well, nobody has defined state medicine. What is state medicine? I would call it co-operative medicine. I would say it is on all fours with old age security. Nobody objects to the government paying old age pensions. The scheme is on a contributory basis. The taxpayers pay 2 per cent on their taxes. They pay for it and they get it, and there is no stigma attached to it.

Let me give an example of what national health insurance would look like. I have two very good examples. With the hon. member for Rosetown-Biggar (Mr. Coldwell) and the hon. member for Melfort (Mr. Wright) I was in France in 1944. We visited a big German air force hospital there that was then in allied hands. During our visit I had a talk with a medical doctor, a very competent man who comes from Vancouver; I do not want to name him. We had seen him perform operations, and he was just about as fast and as competent as any doctor I have ever seen. We spent 24 hours or so with him and before we left he said: How are you getting along with national health insurance in Canada? I told him that we were still talking about it, that there was not very much being done about it, and that the government was still very reluctant. I told him I thought we were making progress and that we were selling it to the people of Canada at least. Ultimately, I said, when you make a demand popular, enough politicians looking for votes will generally give the people whatever they demand. If there is pressure enough they will. Well, he said, I am very much concerned about it. He told me that prior to the war he was a young struggling doctor. He said that he was fairly good, and that he specialized in surgery in Vancouver. He said he had a little office with a miracle bottle on one shelf and another miracle bottle on another shelf. He said he was not in a hospital, not on a hospital board, but he was a general practitioner. He told me that when people came to see him he had a fairly good idea of what they required, but they could not afford to pay him and he could not afford to treat them. He said: "I gave them a little shot out of the miracle bottle. It did not do them any harm, but it did not do them very much good; so we were both happy, and it did not cost either of us very much".

Then the war broke out and he got a call from the government. They wanted him in the service. He said he was firmly opposed to national health insurance at that time. He was not opposed to it because of what he knew about it; he was opposed to it because of what somebody had told him about it. When he came into the service he got a uniform, a good salary, his wife and two children got an allowance and he had economic security. He said he found himself in a hospital with nurses, a laboratory, technicians and equipment that he had never dreamed about before. With all the economic insecurity removed he went to work as a doctor, with others, and they began to develop new techniques. All of a sudden he realized that this was socialized medicine. He said: "I am concerned now about when I leave the service, and take off the uniform. Do I go back to the miracle bottle? What happens to all this equipment—nurses, technicians and all that kind of thing?" I told him that I did not know but that we were doing our best to popularize the idea against the time when those who were looking for votes would have to give it to the people of Canada in order to secure their votes.

That was one example. The second example is more recent. I had occasion just a month ago to visit Camp Hill hospital in Halifax, Nova Scotia. I want to tell the Minister of Veterans Affairs (Mr. Gregg), and although he is not here it will be on the record, that in that hospital we have one of the most excellent institutions in North America. I spent two days there and I want to pay tribute to the doctors, nurses, orderlies, and the people whom I met there. I think they are as highly trained, as skilful and as conscientious as any people you will find in that profession in North America. The equipment in these veterans' hospitals—I presume it is the same right across this country—cannot be duplicated in 99 per cent of your private hospitals. They have not the funds.

During the time I was there I talked to one or two doctors on this very subject. In private discussion they were afraid of it, the same as the chap I met in France, because of the things people had said about it. It would mean regimentation and all that sort of thing. I asked one fellow this question. Do you believe you are any more efficient in this institution, working on a salary and with the equipment, the laboratories and technicians that you have here, than you would be back in a rural office somewhere with about 40 per cent of your patients unable to pay you? These veterans' hospitals constitute government health insurance for the veterans of this country. The medical care is provided on a non-contributory basis. We pay for it out of taxation, and the cost is spread over the nation as a whole. This scheme provides national health insurance in so far as the veteran population is concerned. We pay the veterans while they are taking treatment.

In 99 per cent of the hospitals across this country you have not the equipment or the personnel that you find in veterans' hospitals. In my opinion these institutions are second to none in North America. If we can do that for the veteran population of this country on the basis upon which we are doing it, and pay for it out of taxation without any financial contribution by the recipient, why can we not do that for everyone in this country on a contributory basis? It could be paid for through the income tax, just as we did for the old age security pension, by adding another 2 per cent to the tax or whatever percentage the actuaries worked out. It is not a vision or a dream any longer, and it is needed.

Some persons tell me we are not ready for it. When are we going to be ready for it? Let us make the facilities we have today available to all the people of this country. Anyone who listened to the Minister of Finance (Mr. Abbott) present his last budget must have realized that half the people of this country cannot pay for medical services at all. Half the salary and wage earners of this country are earning amounts below the income tax level. How can anyone with an income of under $2,000 a year if he is married, or $1,000 a year if he is single, pay hospital or doctors' bills with the present cost of medical services? The result is that these people do not get treatment at all. There is neglect and a lot of casualties because of that neglect. All this is due to the fact that the people cannot afford any more medical attention. We need more hospitals, more doctors, more trained personnel and all that kind of thing. Let us make what we have available to all our people; because there are thousands who cannot afford any medical attention at all.

Let us put the two plans side by side and look at them, the private plan and the national plan. Evidence before the president's commission on health in the United States showed that some private plans take out as much as 94 cents on the dollar, and give only 6 cents in service. Even in Canada, Associated Medical Services takes off 25 cents on the dollar and Blue Cross takes about 18 per cent, 9 per cent for expenses and 9 per cent for reserves. Physicians' plans take 10 to 15 per cent in administrative costs.

On the other hand the province-wide hospital plan in Saskatchewan takes out only 4·6 per cent for expenses, while the Swift Current health plan, a compulsory medical plan, takes out only 5·6 per cent. The facts prove that government plans are cheaper to operate and give you more value for your health dollar. Private plans mean rationing by the purse. They charge the same to the rich and the poor alike. On the other hand, a national health plan would graduate the payments so that low income groups would pay less than the high income groups getting the same service. The private plans reach only a fraction of the population at best. Today not more than half our population is covered by hospital plans, even if you include the government plans in Saskatchewan and British Columbia, and not more than 25 per cent have some kind of medical plan.

A national health program would cover everybody from Vancouver to Newfoundland. The protection afforded by a private plan is limited by all kinds of restrictions about coverage and payments; with a national plan there are very few or no restrictions. It provides all the protection you really need. Private plans cover people far more in urban areas than in rural areas, and the need is greater in rural areas. A national plan would cover rural areas as well as urban areas. Private plans do nothing to provide more doctors, dentists and nurses. A national plan would provide for the training of more professional personnel and build more hospitals; it is all part of the national plan. Private plans are voluntary, which means in effect they do not cover people who are not in a position to subscribe because they cost too much, who do not belong to groups or who just plain forget. Those who do subscribe voluntarily do not always get what they think they paid for. On the other hand a national plan is compulsory, which means in effect that everybody gets covered.

When the government introduces a plan in a democratic way, everyone pays a fair share through general taxation and a graduated social security contribution. Today, under private plans, Canadians are already spending about $450 million on hospitals, medical and other sickness needs. On top of this our governments are spending another $150 million to $200 million, a total of over $600 million. Under a national health plan, in the long run, we would probably spend no more money than we are spending now, but we would spend it more wisely. We would divert our present expenditures into the national plan and get more service for our money.

I see you smiling at me, Mr. Speaker, which indicates that my time has nearly expired. I wanted to make these few remarks about national health insurance tonight, and I think this analysis I have put on the record clearly indicates that national health insurance is no longer a political matter. These statements about regimentation, and all that kind of stuff, are so much nonsense. They

should have no place on platforms or in the House of Commons of the Dominion of Canada.

National health insurance is a must. It is one of the things, in my opinion, that are absolutely essential. I come from a mining district. We have a fairly reasonable medical plan there. Our doctors are paid on a panel. We built our own hospitals. Half our own men are on the boards. We regulate it in that way. In my opinion it is much better than that which is to be found in most parts of the country; but it is far from adequate. In the last ten years all we have done is step the rate up and up, and the hospital is going into debt all the time.

Half the people in the community require specialist service. We have the sad experience every week of the committee going from house to house in the community taking up a collection to send somebody to Montreal or to Halifax to have a major operation, because the local hospitals have not the facilities to do brain surgery and that kind of thing; and the need is becoming greater every day. The local hospitals are no longer able to carry the burden. The costs have become exorbitant. The services are not there. It is impossible to provide the equipment.

I should like to tell the Leader of the Opposition (Mr. Drew), or anyone in this house who takes the view that state medicine is regimentation, to visit some of the veterans' hospitals and take a look at them, take a look at the facilities, and see how simple it is for the doctors to do their work because of the nurses, technicians and so forth that are at their disposal.

I am going to conclude my remarks by saying that the hon. member for Vancouver East (Mr. MacInnis) made an excellent speech this afternoon. I am sure the applause that greeted him on rising in the house indicated that we were all very glad to see him back on his feet and in here pitching again, doing the kind of job he has been doing for the last 25 years. He mentioned the means test in the war veterans' allowance, and suggested that we take the means test out of the blind pension. I am not going to elaborate on these things. I have spoken on them before. I merely want to say that I associate myself with him in all the demands he made for improvements in legislation that already exists. I trust that the amendment to the amendment that is now before the house will be carried unanimously.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I am going to deal with the amendment to the amendment because I wish to place on record the position we take in connection with it before the vote is taken. Before I do so, however, I propose to deal with certain points that have been raised since I spoke early in this debate, and particularly with some statements that were made after I had spoken, and to which I could not reply until the opportunity arose to speak again, as I now do.

I wish to speak about television, and the statement made yesterday by the minister responsible for that to this house. It was an interesting thing that the minister should choose to make a second statement of policy prior to the time that we actually have before us the legislation which will carry that policy into effect. Probably we shall have another statement of policy before long, because the one we received yesterday was not complete. It did not deal with the question of licence fees, a subject which the members of this house know is a matter of interest to hon. members on the other side as well as on this. I do not think it will be desirable to wait until we get the next statement of policy before dealing with that subject.

At this time I would point out, Mr. Speaker, that it would be desirable that we have an understanding in regard to these speeches which are made by ministers before the orders of the day, as was done by two ministers yesterday. It would help to facilitate the business of this house if we came to a clear understanding in regard to this subject.

I rose yesterday, immediately after the minister had made his statement, and made certain comments. At the time I made those comments it was indicated by some hon. members that they felt that I was out of order in doing so. I would point out, Mr. Speaker, that there is no rule which permits a statement by a minister such as that which was made yesterday, and such as those which it is becoming customary to receive in that way. I do suggest that it should become an accepted practice that if ministers are to make statements in regard to policy, not simply answering questions which have already been asked or are asked in the ordinary manner before the orders of the day, there should be an opportunity to comment on that statement immediately; otherwise it would become necessary to insist upon the rules being observed, and to follow the practice which is adopted so frequently at Westminster, namely to precede a statement of policy of that kind by the introduction of a motion.

I feel sure many hon. members will believe that the business of the house can be facilitated and carried on satisfactorily by permitting a procedure of this kind to be

followed; but I would point out that if it is to be followed, then also it should be understood that there will be an opportunity to reply, and that those who have accorded to the minister the courtesy of permitting the statement to be made by consent should not then be denied the opportunity to make a subsequent statement. I take this occasion to make these remarks because the opportunity did not present itself to do so yesterday at the time the statement was made.

Now, to deal with the statement in regard to television: I believe it is appropriate to deal with this subject at this time, while the statement of the minister is still fresh in the minds of hon. members, and while there is still time for the government to reconsider its position before it places legislation before us, and then seeks the support of the members of the party to which the government belongs for the adoption of the legislation that will be introduced.

The Minister of National Revenue (Mr. McCann) made a statement yesterday which informed us that certain steps are being taken by the Canadian Broadcasting Corporation, with the concurrence of the government, and that hon. members will be called upon to approve further loans to the Canadian Broadcasting Corporation for the purpose of extending their facilities.

One of the great difficulties that all members of the house, outside of the government, must have experienced from time to time, is that, when it is convenient for the government to deny responsibility for the actions of the C.B.C., it does so, and when it is convenient to accept responsibility it also does so. Yesterday we were informed that it was the decision of the government that there should be an extension of publicly-owned television broadcasting to certain areas of Canada. The minister said, as reported at page 409 of yesterday's proceedings:

> For some time the government has been giving careful consideration to the development of television broadcasting in Canada. In its consideration it has had in mind the report of the royal commission on national development in the arts, letters, and sciences. The commission recommended that the Canadian Broadcasting Corporation proceed with the production of television programs and with plans for national coverage. It spoke of extension of national coverage both through publicly and privately-owned stations. It said that no private station should be licensed until the C.B.C. had available national television programs and that all private stations established should be required to serve as outlets for national programs.

It will be seen that the government purports to rely upon the recommendation of the royal commission on national development in the arts, letters and sciences; and it is stated that it is following the recommendation that no private station should be licensed until the C.B.C. had available national television programs—

> —and that all private stations established should be required to serve as outlets for national programs.

We heard a statement on government policy in regard to broadcasting. At the end of his remarks yesterday in which he dealt with broadcasting the minister said, in response to a question of mine about a program which had been put out over the C.B.C. television station in Toronto, that it was not the responsibility of the government to supervise broadcasts of this kind. These were his words:

> Under the Canadian Broadcasting Act, the C.B.C. itself has the full responsibility for all programming matters.

Either the government must accept responsibility or the Canadian Broadcasting Corporation must accept responsibility, one or the other. The statement I have just quoted related to an abominable television broadcast over the C.B.C. station at Toronto, about which I have received numerous complaints from parents of children who saw it. We are told that this is the responsibility of the Canadian Broadcasting Corporation, and not the responsibility of the government.

At the very time this statement is made, the government is accepting full responsibility for the policy that is to be followed, and of necessity for all the results from that policy. I wonder if the minister believes that a program such as the one entitled "Hilda Morgan", to which he referred in his remarks yesterday, is the kind of thing that was contemplated by the royal commission on national development in the arts, letters and sciences, when it recommended that these media for the communication of ideas, of education and of culture should maintain the highest possible standards.

I hope the minister responsible will show a greater interest in the program than he has yet done, and will outline to the house the details of that program in regard to which he expresses no concern. I would hope the minister would be prepared to do that, because he has taken the responsibility for leaving this matter with the Canadian Broadcasting Corporation, leaving the inference that it is a matter about which members need not be concerned.

I mention this again because a very real problem is going to be raised in regard to these broadcasts of television programs. One of the things which presents itself even now for consideration by the Canadian Broadcasting Corporation, and by members of the

House of Commons, is the extent of supervision which should be exercised in regard to programs. A question has already arisen as to whether programs which are based upon moving picture films would be subject to the same provincial supervision as moving pictures now are. This is not something that can be dismissed with the statement that it has already been found that radio broadcasting is under national jurisdiction. A new element arises in connection with television.

Surely it would be a strange thing if a provincial government agency set up for the purpose of examining the films to be shown in moving picture theatres should have the right to say that a film should not be shown in a theatre, but that it could then be taken across the street to a television station and shown in the homes of all those having television sets, without supervision of any kind.

That would indeed produce an astonishing situation. It would mean that in the case of moving picture theatres, where there is at least some restraint in certain circumstances as to the way in which those theatres can be used, a film that might not be shown to persons of all ages in such theatres could, however, be shown right in the homes where children of any age might be looking at television broadcasts.

I do not need to extend the argument on that point. It is obvious that this presents a great difficulty. Unless there is likely to be an immediate demand for very rigid supervision of television broadcasting, then it would seem that a very high measure of responsibility must be accepted by the C.B.C. for the type of television programs it projects into the homes of the people of this country.

Let me come now to the statement of policy enunciated yesterday in regard to these new stations. The minister said, and I quote from page 409 of *Hansard* of December 8:

> A television station can serve only a comparatively small area. Canada is very large and it will require a good many stations before television can be brought to the people in most parts of our country.

Those are the minister's words. I think everyone will agree that that is a statement which must be borne in mind when considering what is likely to happen in this country in connection with television broadcasting. Having pointed out that television stations can serve only comparatively small areas and that in a large country like this it will require a great many stations to serve the public, the minister then went on to say that as a matter of policy the government had decided that out of the taxpayers' money television would be provided in Toronto, Montreal, Ottawa, Vancouver, Winnipeg and Halifax.

The C.B.C. is to exercise its monopoly control to take over the areas where private investment would have most quickly provided television programs without expense to those receiving the programs and without expense to the taxpayers of Canada. Instead of doing that the government says it has decided that the C.B.C. will occupy these fields, that its monopoly will be absolute for the time being and that no private station will be given a licence in those areas to compete with the C.B.C. stations. In this statement of policy for which the government accepts full responsibility—and must accept full responsibility since it was announced as a statement of policy by the government—there is not one word to suggest why television broadcasting should be on an entirely different basis from radio broadcasting.

Why is it that in Toronto, Montreal, Winnipeg, Vancouver, Halifax and Ottawa several radio stations compete with each other, private stations competing with publicly-owned stations and vice versa, yet when we come to television there is to be no competition? The fact is that this is the very field in which there should be competition. Here is the very field where competition is the only thing that will assure a standard of programs such as will attract our people to this new means of communicating ideas, news, entertainment and cultural programs of different kinds.

There is another important factor. The minister informed this house yesterday that because television stations cover such small areas as compared with the enormous areas covered by the powerful radio stations it will require, to use his words, a good many stations before television can be brought to the people in most parts of our country. The policy of the government, as announced to the house yesterday, is that the government has decided —not the C.B.C.—that it is going to occupy the areas where the financial returns would have made it possible to obtain programs from private stations without cost to the public and leave to private investment those distant areas where the financial returns will make it most difficult to establish stations.

As I pointed out yesterday, the basic concept of a publicly-owned system of broadcasting was to make it possible to carry to the people in every part of Canada radio broadcast programs. That was the main reason for exercising certain controls and providing facilities for programs at distant points in Canada. The government is now stating that it accepts the responsibility for

denying to the people in distant points the opportunity to obtain programs from the organization maintained by the taxpayers' money. If the government stands by the policy announced yesterday it means that the taxpayer along the British Columbia coast, throughout northern Canada from the Atlantic to the Pacific, along the Atlantic coast—yes, in fact in most parts of Canada, because there is a very limited area within which these six stations mentioned can broadcast programs—is going to be paying out of his tax money for something that gives him no advantage, and is going to be called upon to provide the money which makes it possible for the people in the Montreal, Toronto, Ottawa, Halifax, Winnipeg and Vancouver areas to receive this advantage.

Surely that is wholly inconsistent with every basic concept of this publicly-owned system which was set up some years ago by a Conservative government here in this parliament.

On motion of Mr. Drew the debate was adjourned.

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

APPENDIX

LETTER OF TRANSMITTAL; KOREAN RESOLUTIONS; RESOLUTIONS ON RACE CONFLICT IN SOUTH AFRICA

December 5, 1952

Sir,

The general assembly of the United Nations, at its 399th plenary meeting on December 3, 1952, adopted a resolution under item 16 (a) of its agenda—Korea: Reports of the United Nations commission for the unification and rehabilitation of Korea. Under the terms of that resolution, originally sponsored by the government of India, the president of the general assembly is requested "to communicate the following proposals to the Central People's Government of the People's Republic of China and to the North Korean authorities as forming a just and reasonable basis for an agreement so that an immediate cease-fire would result and be effected; to invite their acceptance of these proposals and to make a report to the general assembly during its present session and as soon as appropriate". In discharge of the duty placed upon me by the terms of that resolution, I have the honour to transmit to you the text of the resolution and to invite your acceptance of the proposals contained therein.

2. I send this message to you against the background of the casualties, the sufferings, and the destruction in Korea which are the inevitable consequence of war, and I add my personal appeal that you should give it your most thoughtful and sympathetic consideration. When the first committee of the general assembly, by an unanimous decision, agreed to treat the Korean question as a matter of urgency, its decision reflected the concern of all members of the United Nations, a concern which I am sure is shared by the peoples of the world, over the tragedy of war and devastation in Korea, and their deep desire to bring this war to an end on terms acceptable to both sides. To this end negotiations have been proceeding for some sixteen months at Panmunjom, in the course of which a wide measure of agreement on the terms of an armistice has been reached. The sole remaining issue which has not been settled in the course of these armistice negotiations concerns the principles and procedures by which the repatriation of prisoners of war can be effected.

3. In itself, the prisoners of war issue is a challenge to the fundamental humanitarian instincts which are shared by all mankind and urgently calls for solution. In camps on both sides, human beings have been kept for long months under military detention while the lengthy negotiations concerning their fate have been continuing. There is an inescapable moral obligation on both sides in the Korean conflict to make every possible effort to ensure that these prisoners of war shall be free to return to their homelands, and their speedy return facilitated.

4. The discussion of this matter in the first committee of this assembly has made clear the general agreement in the United Nations that this problem should be dealt with and the repatriation of prisoners of war should be effected under the terms of the Geneva convention relative to the treatment of prisoners of war of August 12, 1949, under the well-established principles and practice of international law, and under the relevant provisions of the draft armistice agreement. It was also generally agreed that prisoners of war should be released from the custody of the detaining powers to a repatriation commission so that they can be free to exercise their undoubted right with respect to repatriation, and that it was inconsistent with common humanitarian principles that a detaining power should offer any hindrance to the return to their homelands of any prisoners of war. Finally, there was general agreement that the Geneva convention cannot be construed as authorizing a detaining power to employ force to effect the return of individual prisoners of war to their homelands.

5. The general assembly resolution clearly states the above principles with respect to the solution of the prisoner of war issue, and, in addition, makes concrete proposals with regard to the machinery of repatriation. It represents ideas put forward by many governments represented in the general assembly whose unanimous desire is to bring peace to Korea. The resolution can make this desire effective because its acceptance will make it possible to achieve an armistice and a complete and immediate cessation of hostilities.

6. The resolution, in addition, makes reference to the desire of the general assembly to expedite and facilitate, once an armistice is effective, the convening of a political conference provided for in article 60 of the draft armistice agreement already accepted by the military negotiators at Panmunjom.

7. It is my earnest hope that the Central People's Government of the People's Republic of China will accept these proposals of the general assembly as a basis for the solution of the one remaining issue which has prevented the conclusion of an armistice during the negotiations at Panmunjom. Once this issue is solved, it will become possible to bring the fighting to an end and complete the program for a peaceful settlement in Korea leading, we must hope, towards a more general settlement which would contribute to peace in Asia and in the world.

8. The United Nations is determined to do everything possible to bring the fighting to an end in Korea. This is also the declared aim of the Central People's Government. This common aim can be achieved if the proposals which are now submitted for your consideration are, as I earnestly hope will be the case, accepted in the spirit in which they are put forward. In this hope, as president of the seventh session of the general assembly of the United Nations, I appeal to you to accept these proposals of the United Nations as forming a just and reasonable basis for an agreement which will serve to bring about a constructive and durable peace in Korea.

9. I shall look forward to receiving as soon as possible your reply to this communication, which I shall report to the general assembly when it is received.

10. In accordance with the decision of the general assembly, the text of the resolution has also been communicated to the North Korean authorities, to whom I am sending a similar message.

11. Please acccept, sir, the assurances of my highest consideration.

LESTER B. PEARSON
President,
General Assembly.

His Excellency,
Mr. Chou En-lai,
Minister for Foreign Affairs,
Ministry of Foreign Affairs of the Central People's Government of the People's Republic of China,
PEKING, China.

KOREA

21-POWER RESOLUTION

(This resolution did not come to the vote)

Australia, Belgium, Canada, Colombia, Denmark, Ethiopia, France, Greece, Honduras, Iceland, Luxembourg, Netherlands, Nicaragua, New Zealand, Norway, Philippines, Thailand, Turkey, United Kingdom, United States, Uruguay: *Draft resolution on Korea*

United Nations

THE GENERAL ASSEMBLY,

1. HAVING RECEIVED the special report of the Unified Command of 18 October 1952 on the status of military action and the armistice negotiations in Korea,

2. NOTING with approval the efforts of the United Nations negotiators to achieve a just and honourable armistice to bring an end to the fighting in Korea in accordance with United Nations principles,

3. NOTING FURTHER that disagreement on one remaining issue has prevented the achievement of such an armistice,

4. REAFFIRMS the earnest intention of the United Nations to reach a just and honourable settlement of the Korean conflict;

5. NOTES WITH APPROVAL the tentative agreements which the United Nations Command has reached on behalf of the United Nations;

6. NOTES WITH APPROVAL the principle followed by the United Nations Command with regard to the question of repatriation of prisoners of war, and the numerous proposals which the United Nations Command has made to solve the questions in accordance with this humanitarian principle;

7. NOTES FURTHER that other suggestions consistent with the basic humanitarian position of the United Nations Command have been made by various Members of the United Nations;

8. CALLS UPON the Central People's Government of the People's Republic of China and upon the North Korean authorities to avert further bloodshed by having their negotiators agree to an armistice which recognizes the rights of all prisoners of war to an unrestricted opportunity to be repatriated and avoids the use of force in their repatriation;

9. REQUESTS the President of the General Assembly to transmit this resolution to the Central People's Government of the People's Republic of China and to the North Korean authorities, and to make a report to the General Assembly as soon as he deems appropriate during the present session on the result of his action.

KOREA

(This resolution did not come to the vote)

Mexico: draft resolution

The General Assembly,

WHEREAS it is the purpose of the United Nations to restore peace and, therefore, to achieve the cessation of hostilities in Korea through the conclusion of a just and honourable armistice;

United Nations

WHEREAS from official reports at the disposal of the General Assembly it follows that the only obstacle to the conclusion of the armistice lies in the fact that it has not been possible to reach an agreement in regard to the exchange of prisoners of war;

WHEREAS the United Nations must safeguard the application of the humanitarian principles that underlie the international instruments in force relating to prisoners of war;

A

REQUESTS the President of the General Assembly to invite, through the channels that he may deem appropriate, the Military Commanders of the North Korean and Chinese forces in Korea to consider the following general bases for the exchange of prisoners of war, with a view to facilitate the early conclusion of the armistice:

1. Prisoners of war held by either of the parties, who have voluntarily expressed their desire to return to the country of their origin, will be repatriated without delay upon the conclusion of the armistice.

2. Other prisoners of war held by either of the parties, desirous of establishing temporary residence in other States, would not return to the country of their origin until the coming into force of the decisions that, in order to achieve a peaceful settlement of the Korean question, might be adopted in the Political Conference that will take place after the armistice, in conformity with the agreement reached by the Military Commanders, on point 5 of the Armistice agenda.

3. Pending the entry into force of the abovementioned decisions, the situation of the prisoners of war referred to in paragraph 2 shall be governed by the following rules:

(a) The General Assembly, acting in the manner and through the channel it may deem appropriate, will negotiate with each State agreeing to participate in the plan envisaged in this Resolution, on the number of prisoners which such a State may be prepared to receive in its territory, as well as on the conditions inherent to their admission.

(b) Once in the country of temporary residence, the authorities of that country shall grant them a migratory status which would enable them to work in order to provide for their needs.

4. When the situation foreseen for their repatriation arises as described in paragraph 2 above, the authorities of the countries of origin would grant facilities for the return of of the ex-prisoners of war and would furnish guarantees for the subsequent protection of their freedom and their lives.

5. In the case of those ex-prisoners of war, who, by virtue of the present Resolution, would be provisionally residing in another country and would express their will to return to their country of origin before the situation foreseen for their repatriation in the terms of paragraph 2 has arisen, the United Nations would provide the means to carry their wishes into effect.

B

REQUESTS the President of the General Assembly to report to the Assembly in due course concerning the result of the steps which he is asked to take by this Resolution.

KOREA

(This resolution did not come to the vote)

Peru: draft resolution

The General Assembly,

Expressing the desire of mankind for an immediate, just and honourable peace, and considering that the only issue which has prevented the conclusion of the armistice is that relating to the repatriation of prisoners of war,

Decides:

1. To set up a five-member Commission on which each of the parties to the conflict shall be represented by one delegate. The General Assembly, for its part, shall appoint two delegates and invite the collaboration of a neutral state, not a Member of the United Nations, to be a member of the Commission and to serve as its Chairman.

2. The Commission appointed as aforesaid shall immediately take steps to co-operate in the repatriation of prisoners in accordance with their freely expressed wishes.

3. Prisoners not wishing to be repatriated shall remain under the protection of the Commission in a neutralized zone so long as no provision has been made for their future.

4. The said Commission shall propose to the United Nations at the earliest possible moment the most suitable measures for the final decision as to the future of the prisoners remaining under its protection, one of the measures to be considered being their transfer to the territory of such Powers as may be prepared to receive them, or their settlement in Trust Territories in agreement with the Administering Power concerned. Prisoners shall, in any event, be free to make a decision later concerning their return to their place of origin.

5. In the performance of its functions, the Commission shall be guided by the principles of the United Nations Charter and by the Declaration of Human Rights.

KOREA

(This resolution was rejected by the General Assembly)

Union of Soviet Socialist Republics: revised draft resolution

The General Assembly,

Having considered the report of the Commission for the Unification and Rehabilitation of Korea,

Considers it necessary:

To establish a Commission for the peaceful setttlement of the Korean question with provision for the participation of the parties directly concerned and of other States, including States which have not taken part in the Korean war. The Commission shall consist of the following members: United States of America, United Kingdom, France, Union of Soviet Socialist Republics, People's Republic of China, India, Burma, Switzerland, Czechoslovakia, People's Democratic Republic of Korea and South Korea.

To instruct the said Commission to take immediate steps for the settlement of the Korean question on the basis of the unification of Korea—to be effected by the Koreans themselves under the supervision of the above-mentioned Commission, such steps to include comprehensive action to promote the repatriation of all prisoners of war by both sides.

REVISION OF SOVIET RESOLUTION ON KOREA

The Soviet delegation on November 23 submitted the following addendum to be inserted as the first paragraph of the revised Soviet resolution:

> "To recommend to the belligerents in Korea an immediate and complete ceasefire, i.e. the cessation of military operations by both sides on land, by sea and in the air, on the basis of the draft armistice agreement already approved by the belligerents, the question of the complete repatriation of prisoners of war to be referred for its solution to the commission for the peaceful settlement of the Korean question provided for in the U.S.S.R. draft resolution, in which commission questions shall be decided by two-thirds majority vote of its members".

United Nations

TEXT OF RESOLUTION ON KOREA

ADOPTED BY UNITED NATIONS GENERAL ASSEMBLY ON DECEMBER 3, 1952

(This resolution is based upon and consists principally of a resolution introduced by the Delegation of India)

"THE GENERAL ASSEMBLY

HAVING RECEIVED the Special Report of the United Nations Command of the 18 October 1952 on "the present status of military action and armistice negotiations in Korea" and other relevant reports relating to Korea;

NOTING WITH APPROVAL the considerable progress towards an armistice made by negotiation at Panmunjom and the tentative agreements to end the fighting in Korea and to reach a settlement of the Korean question;

NOTING FURTHER that disagreement between the parties on one remaining issue, alone, prevents the conclusion of an armistice and that a considerable measure of agreement already exists on the principles on which this remaining issue can be resolved;

MINDFUL of the continuing and vast loss of life, devastation and suffering resulting from and accompanying the continuance of the fighting;

DEEPLY CONSCIOUS of the need to bring hostilities to a speedy end and of the need for a peaceful settlement of the Korean question;

ANXIOUS TO EXPEDITE AND FACILITATE the convening of the political conference as provided in Article 60 of the Draft Armistice Agreement;

AFFIRMS that the release and repatriation of Prisoners of War shall be effected in accordance with the "Geneva Convention relative to the treatment of Prisoners of War", dated 12 August 1949, the well-established principles and practice of International Law and the relevant provision of the Draft Armistice Agreement;

AFFIRMS that force shall not be used against Prisoners of War to prevent or effect their return to their homelands, and that they shall at all time be treated humanely in accordance with the specific provisions of the Geneva Convention and with the general spirit of the Convention;

ACCORDINGLY REQUESTS the President of the General Assembly to communicate the following proposals to the Central People's Government of the People's Republic of China and to the North Korean Authorities as forming a just and reasonable basis for

agreement so that an immediate cease fire would result and be effected; to invite their acceptance of these proposals and to make a report to the General Assembly during its present session and as soon as appropriate:

PROPOSALS

1. In order to facilitate the return to their homelands of all Prisoners of War, there shall be established a Repatriation Commission consisting of representatives of Czechoslovakia, Poland, Sweden and Switzerland, that is, the four States agreed to for the constitution of the Neutral Nations Supervisory Commission and referred to in paragraph 37 of the Draft Armistice Agreement, or constituted, alternatively, of representatives of four States not participating in hostilities, two nominated by each side, but excluding representatives of States that are permanent members of the Security Council.

2. The release and repatriation of Prisoners of War shall be effected in accordance with the "Geneva Convention relative to the treatment of Prisoners of War", dated 12 August 1949, the well-established principles and practice of International Law and the relevant provisions of the Draft Armistice Agreement.

3. Force shall not be used against the Prisoners of War to prevent or effect their return to their homelands and no violence to their persons or affront to their dignity or self-respect shall be permitted in any manner or for any purpose whatsoever. This duty is enjoined on and entrusted to the Repatriation Commission and each of its members. Prisoners of War shall at all times be treated humanely in accordance with the specific provisions of the Geneva Convention and with the general spirit of that Convention.

4. All Prisoners of War shall be released to the Repatriation Commission from military control and from the custody of the detaining side in agreed numbers and at agreed exchange points in agreed demilitarized zones.

5. Classification of Prisoners of War according to nationality and domicile as proposed in the letter of 16 October from General Kim Il Sung, Supreme Commander of the Korean People's Army, and General Peng Teh-Huai, Commander of the Chinese People's Volunteers, to General Mark W. Clark, Commander-in-Chief, United Nations Command, shall then be carried out immediately.

6. After classification, Prisoners of War shall be free to return to their homelands, forthwith, and their speedy return shall be facilitated by all parties concerned.

7. In accordance with arrangements prescribed for the purpose by the Repatriation Commission, each party to the conflict shall have freedom and facilities to explain to the Prisoners of War "depending upon them" their rights and to inform the Prisoners of War on any matter relating to their return to their homelands and particularly their full freedom to return.

8. Red Cross teams of both sides shall assist the Repatriation Commission in its work and shall have access, in accordance with the terms of the Draft Armistice Agreement, to Prisoners of War while they are under the temporary jurisdiction of the Repatriation Commission.

9. Prisoners of War shall have freedom and facilities to make representations and communications to the Repatriation Commission and to bodies and agencies working under the Repatriation Commission, and to inform any or all such bodies of their desires on any matter concerning themselves, in accordance with arrangements made for the purpose by the Commission.

10. Notwithstanding the provisions of paragraph 3 above nothing in this Repatriation Agreement shall be construed as derogating from the authority of the Repatriation Commission (or its authorized representatives) to exercise its legitimate functions and responsibilities for the control of the prisoners under its temporary jurisdiction.

11. The terms of this Repatriation Agreement and the arrangements arising therefrom shall be made known to all Prisoners of War.

12. The Repatriation Commission is entitled to call upon parties to the conflict, its own member governments, or the Member States of the United Nations for such legitimate assistance as it may require in the carrying out of its duties and tasks and in accordance with the decisions of the Commission in this respect.

13. When the two sides have made an agreement for repatriation based on these proposals, the interpretation of that agreement shall rest with the Repatriation Commission. In the event of disagreement in the Commission, majority decision shall prevail. When no majority decision is possible, an umpire agreed upon in accordance with the succeeding paragraph and with Article 132 of the Geneva Convention of 1949 shall have the deciding vote.

14. The Repatriation Commission shall at its first meeting and prior to an armistice proceed to agree upon and appoint the umpire who shall at all times be available to the Commission and shall act as its Chair-

man unless otherwise agreed. If agreement on the appointment of the umpire cannot be reached by the Commission within the period of three weeks after the date of the first meeting this matter should be referred to the General Assembly.

15. The Repatriation Commission shall also arrange after the armistice for officials to function as umpires with inspecting teams or other bodies to which functions are delegated or assigned by the Commission or under the provisions of the Draft Armistice Agreement, so that the completion of the return of Prisoners of War to their homelands shall be expedited.

16. When the Repatriation Agreement is acceded to by the parties concerned and when an umpire has been appointed under paragraph 14 above, the Draft Armistice Agreement, unless otherwise altered by agreement between the parties, shall be deemed to have been accepted by them. The provisions of the Draft Armistice Agreement shall apply except in so far as they are modified by the Repatriation Agreement. Arrangements for repatriation under this agreement will begin when the armistice agreement is thus concluded.

17. At the end of ninety days, after the Armistice Agreement has been signed, the disposition of any Prisoners of War whose return to their homelands may not have been effected in accordance with the procedure set out in these proposals or as otherwise agreed, shall be referred with recommendations for their disposal, including a target date for the termination of their detention to the political conference to be called as provided under Article 60 of the Draft Armistice Agreement. If at the end of a further thirty days there are any Prisoners of War whose return to their homelands has not been effected under the above procedures or whose future has not been provided for by the political conference, the responsibility for their care and maintenance and for their subsequent disposition shall be transferred to the United Nations, which in all matters relating to them shall act strictly in accordance with international law."

TEXT OF 18-POWER RESOLUTION

PASSED BY THE AD HOC POLITICAL COMMITTEE ON NOVEMBER 20, 1952

The General Assembly,

Having taken note of the communication dated 12 September 1952, addressed to the Secretary-General of the United Nations by the Delegations of Afghanistan, Burma, Egypt, India, Indonesia, Iraq, Iran, Lebanon, Pakistan, the Philippines, Syria, Saudi Arabia and Yemen, regarding the question of race conflict in South Africa resulting from the policies of *apartheid* of the Government of the Union of South Africa.

Considering that one of the purposes of the United Nations is to achieve international co-operation in promoting and encouraging respect for human rights and fundamental freedom for all, without distinction as to race, sex, language or religion,

Recalling that the General Assembly declared in its resolution 103 (I) that it is in the higher interests of humanity to put an end to religious and so-called racial persecution and called upon all Governments to conform both to the letter and to the spirit of the Charter and to take the most prompt and energetic steps to that end,

Considering that the General Assembly has held in its resolutions 395 (V) and 511 (VI) that a policy of "racial segregation" (*apartheid*) is necessarily based on doctrines of racial discrimination,

1. *Establishes* a commission consisting of ——, to study the racial situation in the Union of South Africa in the light of the Purposes and Principles of the Charter, with due regard to the provision of Article 2, paragraph 7, as well as the provisions of Article 1, paragraph 2 and paragraph 3, Article 13, paragraph 1 (b), Article 55 (c) and Article 56 of the Charter, and the resolutions of the United Nations on racial persecution and discrimination and to report its conclusions to the General Assembly at its eighth session;

2. *Invites* the Government of the Union of South Africa to extend its full co-operation to the Commission;

3. *Requests* the Secretary-General to provide the Commission with the necessary staff and facilities:

4. *Decides* to retain the question on the agenda of the eighth regular session of the General Assembly of the United Nations.

TEXT OF SCANDINAVIAN RESOLUTION

PASSED BY THE AD HOC POLITICAL COMMITTEE ON NOVEMBER 20, 1952

The General Assembly,

Having taken note of the communication dated 12 September 1952, addressed to the Secretary-General of the United Nations by the Delegations of Afghanistan, Burma, Egypt, India, Indonesia, Iraq, Iran, Lebanon, Pakistan, the Philippines, Syria, Saudi Arabia and Yemen, regarding the question of race conflict

in South Africa resulting from the policies of *apartheid* of the Government of the Union of South Africa,

Considering that one of the purposes of the United Nations is to achieve international co-operation in promoting and encouraging respect for human rights and fundamental freedom for all, without distinction as to race, sex, language or religion,

Recalling that the General Assembly declared in its resolution 103 (I) that it is in the higher interests of humanity to put an end to religious and so-called racial persecution and called upon all Governments to conform both to the letter and to the spirit of the Charter and to take the most prompt and energetic steps to that end,

1. *Declares* that in a multi-racial society harmony and respect for human rights and freedoms and the peaceful development of a unified community are best assured when patterns of legislation and practice are directed towards ensuring equality before the law of all persons regardless of race, creed or color, and when economic, social, cultural and political participation of all racial groups is on a basis of equality.

2. *Affirms* that governmental policies of Member States which are not directed towards these goals, but which are designed to perpetuate or increase discrimination, are inconsistent with the pledges of the Members under Article 56 of the Charter;

3. *Solemnly calls upon* all Member States to bring their policies into conformity with their obligation under the Charter to promote the observance of human rights and fundamental freedoms.

Text of South African Resolution Defeated in Ad Hoc Political Committee, November 20, 1952

Having regard to the provisions of Article 2, paragraph 7, of the Charter of the United Nations,

The Ad Hoc Political Committee finds that it has no competence to consider the item entitled "The Question of Race Conflict in South Africa Resulting from the Policies of Apartheid of the Government of the Union of South Africa".

Text of South African Resolution Defeated in Plenary Session of the General Assembly, December 6, 1952

The General Assembly,

Having regard to the provisions of Article 2, paragraph 7, of the Charter,

Finds that it is unable to adopt the proposals on the item entitled "The Question of Race Conflict in South Africa Resulting from the Policies of Apartheid of the Government of the Union of South Africa" contained in the Rapporteur's Report of the Ad Hoc Political Committee, dated December 2, 1952.

HOUSE OF COMMONS

Wednesday, December 10, 1952

The house met at 2.30 p.m.

ROYAL CANADIAN NAVY

AIRCRAFT CARRIER "BONAVENTURE"

Mr. Bona Arsenault (Bonaventure): Mr. Speaker, I wish first of all to congratulate the Minister of National Defence (Mr. Claxton) and the Royal Canadian Navy on having attributed the name *Bonaventure* to the new aircraft carrier to replace the *Magnificent* as the kingpin of Canada's fleet.

The morning press reports that there is a lonely island off the Gaspe coast bearing that name.

Mr. Langlois (Gaspe): It was named after that island.

Mr. Arsenault: I am certain it will not now be overlooked that there is a village and a county in the province of Quebec by the name of Bonaventure, the village in which I was born and the county I represent in the House of Commons. Indeed, sir, even the name Bona is merely an abbreviation of the word Bonaventure.

Therefore it is with great pride that the electors of Bonaventure county welcome this decision.

Mr. Graydon: Greetings, admiral!

REPORTS AND PAPERS

Mr. Jean Lesage (Parliamentary Assistant to the Secretary of State for External Affairs): Mr. Speaker, on behalf of the Secretary of State for External Affairs (Mr. Pearson) I beg leave to lay on the table the following:

The joint report of the international boundary commission dated November 26, 1951, concerning the survey and demarcation of the boundary between Canada and the United States from Tongass Passage to Mount St. Elias, together with a copy of the accompanying atlas.

And while I am on my feet I beg leave also to lay on the table certain diplomatic instruments, in English and French. The first group is one of multilateral agreements, and is as follows:

Final act of the second United Nations technical assistance conference, signed at Paris February 7, 1952.

Agreement for the settlement of disputes arising under article 15 (a) of the treaty of peace with Japan, signed at Washington June 13, 1952.

Protocol extending the period of the agreement on North Atlantic ocean weather stations of 12 May 1949, signed at Montreal 19 June, 1952.

And, in addition, may I lay on the table copies of the following group of bilateral agreements:

Exchange of notes reviving the application of the convention between His Majesty and the federal president of the Republic of Austria regarding legal proceedings in civil and commercial matters, signed at London March 31, 1931, signed at Vienna January 18, 1952;

Exchange of letters between Canada and The Netherlands constituting an agreement to safeguard the rights of bona fide holders of bonds of Canada that were looted from their Netherlands owners during world war II, signed at Ottawa, April 10, 1952;

Exchange of notes between Canada and New Zealand constituting an agreement modifying the agreement of August 16, 1950, between the two countries relating to air transport, signed at Wellington September 29, 1952;

Exchange of notes between Canada and Spain constituting an agreement on the settlement of commercial debts, signed at Madrid January 29, 1952;

Exchange of notes between Canada and the United Kingdom extending the double taxation agreement of June 5, 1946, with respect to income tax to the governments of British Guiana and St. Lucia, signed at Ottawa, May 9 and 22, 1952;

Exchange of notes between Canada and the United States of America constituting an agreement for the establishment of a gunnery range on Lake Erie, signed at Ottawa April 26, October 22 and November 15, 1951; and finally,

Exchange of notes between Canada and the United States of America regarding RCAF-USAF re supply of joint Arctic weather stations, signed at Ottawa October 9 and December 12, 1951, and February 7, 1952.

Questions

QUESTIONS

ROYAL CANADIAN NAVY—GAS FREE EXAMINATIONS

Mr. Balcom:

1. Have the operators doing gas free examinations for the Royal Canadian Navy, certificates from the American bureau of shipping or an equivalent certifying body?
2. What are the qualifications of those presently doing this work?

Mr. Dickey:

1. No.

2. Certification that tanks and compartments of R.C.N. ships are free from explosive or toxic gases is the responsibility of the naval research establishment. R.C.N. ships are exempt from the authority of the American bureau of shipping or equivalent certifying bodies. Nevertheless, employees of the naval research establishment who carry out gas free examinations at Halifax and Esquimalt are fully qualified individuals with science degrees. The employee at Halifax was given a special course at the Milton Hersey Company, analytical chemists, to qualify him to issue gas free certificates.

ALLEGED DUMPING OF WOMEN'S WEAR—GOVERNMENT INVESTIGATION

Mr. Blair:

1. Has any action been taken by the government, since January 1 this year, to investigate charge of dumping of women's wear made in the United States on the Canadian market?
2. If so, what action, if any, has been taken by the government to remedy the reported situation?

Mr. McCann:

1. Yes.

2. The department has investigated cases of alleged dumping, through investigations at the offices of exporters and through correspondence. In cases of undervaluation, amendment of entries has been required, with the collection of special or dumping duty where applicable.

CURED FISH IMPORTS

Mr. Pearkes:

1. Has any frozen, canned or otherwise cured fish been imported into Canada from Japan, during 1951-52?
2. If so, of what species and type, and in what quantities?

Mr. McIlraith:

1. Yes.

2.

Item	Calendar year 1951		Jan. 1 to Sept. 30, 1952	
	Lb.	Value	Lb.	Value
		$		$
Fish, dried	9,414	4,328	3,550	1,563
Crabs, clams or shrimps, canned	67,446	16,335	153,119	94,295
Oysters, prepared or preserved, n.o.p.	13,908	8,775	38,767	29,356
Tuna fish, canned	518,718	174,369	132,276	46,315
Fish, preserved in oil, n.o.p.	**	3,010	**	645
Fish, prepared or preserved, n.o.p.	**	16,989	**	14,961

** Information not recorded by quantity but by value.

NATIONAL DEFENCE HEADQUARTERS—STAFF CARS—EQUIPMENT

Mr. White (Middlesex East):

1. How many staff cars are assigned to National Defence headquarters at Ottawa?
2. How many of these, if any, have been equipped with radio receivers, and what was the total cost of same, including transmitting equipment?

Mr. Dickey:

1. 29.

2. (a) 14. (b) Total cost, including master transmitting station, $10,661.10.

WAR CRIMINALS—CONVICTIONS AND APPEALS

Mr. Hodgson:

1. How many war criminals were convicted and held in Canada's name since the end of the last war?

[Mr. Lesage.]

2. How many of the above have had their sentence altered by authority of the Canadian government, and what was the change made in each case?
3. Are any appeals pending for any other prisoners? If so, how many?

Mr. Dickey:

1. Seven.

2. One: original sentence of fifteen years imprisonment; released by order in council in 1951 after serving six years.

3. No.

PRODUCTION OF HARVARD TRAINER PLANES

Mr. White (Middlesex East):

1. How many Harvard trainer planes were produced at the Canadian Car plant at Fort William Ontario, since July 1, 1951 to date?
2. How many of these planes were (a) assembled from war surplus or shelf components; (b) assembled from new production?

Mr. Dickey:

1. 219 Harvard aircraft produced by Canadian Car and Foundry to date. Most of the work on the first 40 was done at Canadian Car's St. Laurent plant but the balance of the aircraft were produced entirely at Fort William.

2. (a) Surplus or shelf components were used in diminishing quantities after the first 20 aircraft were produced. The following percentages indicate the approximate amount of surplus used:

1 to 20, 60 per cent; 20 to 30, 60 per cent reducing to 30 per cent; 30 to 40, 30 per cent reducing to 15 per cent; 40 to 60, 15 per cent reducing to 5 per cent; after 60, practically nil.

(b) 159 aircraft produced from new production.

CIVIL DEFENCE—FEDERAL ASSISTANCE

Mr. Coyle:

What federal government assistance has been given to municipalities in Canada towards the cost of building up civil defence against air raids, in the form of (a) cash contributions; (b) equipment?

Mr. McCusker: The federal government has, since the re-activation of the civil defence organization in 1948, supplied a great deal of assistance to provincial and municipal civil defence organizations in the form of (a) training programs for key civil defence personnel; (b) consultation and help in organizing for civil defence on a local level; and (c) equipment. At the beginning of the current fiscal year, the federal government extended this aid to include financial assistance to support approved provincial and local civil defence projects on a matching basis with the provinces. For this purpose the sum of $1,400,000 is included in the estimates for the current fiscal year. In accordance with long established practice, the federal government does not, of course, deal directly with the municipalities, but with the provinces, and one of the requirements of the grant-in-aid program is that any municipal project receiving federal financial aid must be matched by provincial funds in an amount equal to the federal contribution. Any municipal civil defence project recommended by the province and approved by the federal authorities can qualify for financial aid, either in part or wholly, on the basis of equal contributions from provincial and federal governments. Up to the present time, every project submitted by a provincial civil defence authority under the grant-in-aid program has received federal approval, with the exception of one project which is currently under consideration.

(a) 1,776 provincial and municipal civil defence workers—the great majority of whom are municipal—have to date been trained entirely at federal expense in federally sponsored and financed training courses.

(b) The services of federal consultants in the various branches of civil defence activity are at all times available to assist municipal civil defence authorities, although it is ordinarily expected that requests for such help be channelled through the appropriate civil defence authorities.

(c) Civil defence equipment and supplies distributed by the federal civil defence authorities to the provinces for use by provincial and municipal civil defence organizations total to date approximately $999,000 in value. This includes a wide variety of training equipment and some operational equipment. The great bulk of it is intended for use in municipal civil defence programs. Included in the above-mentioned total are such items as:

(1) air raid sirens for installation in municipal target areas, $112,000; (2) respirators, $444,000; (3) steel helmets, $133,000; (4) coveralls, $65,000; (5) triangular bandages, $42,000.

(d) Under the grant-in-aid program, three provinces—Manitoba, Saskatchewan and British Columbia—have to date submitted 15 projects totalling in amount $318,274. These totals include both provincial and municipal civil defence projects. Federal approval has been given to all but one of these projects, and the total federal financial commitment in respect of these projects amounts to $159,137. The project which has not yet been approved is currently under consideration.

Federal financial assistance is available for the support of provincial and municipal civil defence undertakings in the other provinces on the same basis as in the three above-mentioned: and it is anticipated that other provinces will shortly be taking advantage of this arrangement.

RETIRED CIVIL SERVANTS AND WIDOWS—PENSIONS

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 to $29.99 per month; (c) $30 to $39.99 per month; (d) $40 to $49.99 per month; (e) $50 to $59.99 per month; (f) $60 to $69.99 per month; (g) $70 to $79.99 per month; (h) $80 to $89.99 per month; (i) $90 to $99.99 per month; (j) $100 per month or over?

2. How many widows of retired civil servants are receiving pensions of amounts within each of the brackets indicated in the above question?

Questions

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?

Mr. Garson (for Mr. Abbott):

1. Retired civil servants, (a) 312; (b) 482; (c) 674; (d) 763; (e) 750; (f) 827; (g) 828; (h) 896; (i) 807; (j) 4,233; total, 10,572.

2. Widows, (a) 942; (b) 970; (c) 854; (d) 742; (e) 575; (f) 328; (g) 233; (h) 158; (i) 109; (j) 212; total, 5,123.

3.

Province	Retired Civil Servants	Widows
Newfoundland	40	19
Nova Scotia	406	196
Prince Edward Island	65	30
New Brunswick	246	155
Quebec	1,700	995
Ontario	4,802	2,461
Manitoba	472	220
Saskatchewan	243	102
Alberta	490	174
British Columbia	1,822	570
Elsewhere	286	201
	10,572	5,123

NATO MUTUAL AID—SHIPMENTS OF MILITARY EQUIPMENT, ETC.

Mr. Tustin:

1. What is the total value, to date, of military stores, ammunition or armaments shipped to any country from Canada, under the mutual aid provision of the North Atlantic Treaty Organization?

2. What amount to each country, and on what dates were shipments made?

Mr. Dickey:

1. $264,000,000 (Cdn. dollars).

2.

	(In millions) (Cdn. dollars)	Deliveries during the period
Netherlands	67·9	Dec. 1950 to Aug. 1952
Belgium	70·6	Mar. 1951 to Sept. 1952
Italy	85·1	June 1951 to Oct. 1952
France	23·8	Feb. 1952 to Oct. 1952
Portugal	8·4	Dec. 1951 to Oct. 1952
Luxembourg	1·1	Mar. 1951 to Oct. 1952
Denmark	3·6	Jan. 1952 to Sept. 1952
Norway	2·3	Jan. 1952 to July 1952
United Kingdom	1·2	July 1952 to Oct. 1952
Total	264·0	

GLASLYN, SASK., POLICE BARRACKS—CONSTRUCTION COSTS—WILLIAM DIDULA

Mr. Knight:

1. What was the complete cost of construction of the police barracks in Glaslyn, Saskatchewan, in 1951-1952?

[Mr. Knowles.]

2. Was one, Wm. Didula appointed as overseer on this work?

3. If so, how long was he employed in that capacity?

4. What was the total amount of remuneration received by him in connection with this work?

Mr. Garson:

1. $34,780.65.

2. Yes. Appointed clerk of works grade 2.

3. From November 16, 1951, to May 15, 1952.

4. $1,395.08.

SEIZURES OF AMERICAN CIGARETTES

Mr. Coyle:

1. How many seizures of American cigarettes have been made from January 1, 1951, to date?

2. How many cigarettes have been seized?

3. How many people have been fined for this offence?

4. What is the total amount collected in fines?

Mr. McCann:

1. 5,803.

2. 30,387,648.

3. 1,035.

4. Fines imposed amounted to $126,845.

CANNED PORK—PURCHASES, SALES, ETC.

Mr. Catherwood:

1. How many pounds of canned pork products are held by the government at the present time?

2. How many pounds have been sold since the government began purchasing the pork?

3. How many pounds of canned pork have been sold in (a) the United States; (b) Canada; (c) elsewhere?

4. What was the total cost of the canned pork purchased by the government?

5. What was the total selling price of the canned pork sold by the government?

6. Has the government lost money on the deal? If so, how much?

Mr. McCubbin:

1. As at October 31, 1952, 49,011,858 pounds.

2. As at October 31, 1952, 16,493,472 pounds.

3. Final destination of all canned pork sold is not known because the original purchaser may export the product without the knowledge of the board. It is estimated that approximately 16,000,000 pounds have been distributed in the domestic market and the balance exported to the United States and other countries.

4. As at October 31, 1952, $38,990,793.72.

5. Net return as at October 31, 1952, $5,681,684.36.

6. Net loss as at October 31, 1952, approximately $3,500,000.

PORT STANLEY HARBOUR—FEDERAL IMPROVEMENTS

Mr. Coyle:

1. Has the government made any improvements in Port Stanley harbour, during the past year?
2. If so, what is the nature of the improvements?
3. If not, has the government any plans for improvements to the harbour?

Mr. Fournier (Hull):

1. Yes, maintenance repairs.

2. Placing stone protection to the side of the public wharf and a new fender boom along the west pier.

3. In addition to the above it is proposed to construct a rubble mound extension to the west breakwater.

PORT BRUCE HARBOUR—FEDERAL IMPROVEMENTS

Mr. Coyle:

1. Has the government made any improvements in Port Bruce harbour, during the past year?
2. If so, what is the nature of the improvements?
3. If not, has the government any plans for improvements to the harbour?

Mr. Fournier (Hull):

1. No.

2. Answered by No. 1.

3. Plans and specifications for harbour improvements have been approved, and tenders will be called before the end of the fiscal year.

IMPORTS AND EXPORTS OF PHOSPHATES

Mr. Laing:

1. What was the tonnage and value in the past year of Canadian imports of raw rock phosphate from the United States?
2. In the same year, what was the tonnage and value of Canada's export to United States of superphosphates and ammonium phosphates?

Mr. McIlraith:

1. Canadian imports of phosphate rock from the United States during the calendar year 1951: 9,746,237 cwt., value $3,028,071.

2. Canadian exports of phosphate fertilizers to the United States, calendar year 1951: 2,372,425 cwt., value $7,432,100.

IMPORTS OF PETROLEUM AND PETROLEUM PRODUCTS

Mr. Laing:

In the last year for which statistics are available what was the value of the imports of petroleum and petroleum products from (a) the United States; (b) all other countries?

Mr. McIlraith:

Canadian imports of petroleum products, calendar year 1951:

United States.....	$158,026,356
Other countries.....	195,867,307
Total	$353,893,663

BAUXITE AND ALUMINA IMPORTS

Mr. Laing:

What was the tonnage and value in the past year of Canadian imports of bauxite and alumina for the manufacture of aluminum, and what were the sources of these imports?

Mr. McIlraith:

Canadian imports by countries, calendar year 1951:

Country	Cwt.	Value
Bauxite—		
Gold Coast	228,435	$ 63,738
British Guiana ..	35,650,136	9,419,892
Trinidad	6,292,795	1,599,632
Surinam	3,071,569	1,140,516
United States ...	2,792,244	3,149,235
Totals	48,035,179	$15,373,013
Alumina—		
United Kingdom.	492	6,269
United States....	4,992	92,752
Totals	5,484	$ 99,021

DRILL AND RIG EQUIPMENT IMPORTS

Mr. Laing:

1. What was the value in the past year of Canadian imports of drill and rig equipment used by the oil industry?
2. What were the sources of import?

Mr. McIlraith:

1 and 2. Canadian imports by countries of well drilling machinery, calendar year 1951: United Kingdom, value $198,582; Australia, value $72,150; United States, value $37,104,690; total $37,375,422.

R.M.S. "AORANGI"—SUBSIDY—FREIGHT AND PASSENGERS CARRIED

Mr. Laing:

1. To date, how much subsidy has been paid by Canada to the Union Steamship Company of New Zealand on the current agreement for the operation of R.M.S. *Aorangi*?
2. In the period of the present agreement, (a) what tonnage of freight; (b) how many passengers, has this vessel carried (i) westbound; (ii) eastbound?

Mr. Benidickson:

1. To date, since current agreement came into force on April 1, 1952, $83,333.32 has been paid to the Canadian-Australasian Line Limited with whom the agreement was made.

2. For the period of the present agreement commencing on April 1, 1952 to September 30, 1952, date of last traffic returns:

(a) (i) 3,969 tons; (a) (ii) 3,690 tons; (b) (i) 1,403 passengers; (b) (ii) 1,122 passengers.

Questions

ENGLISH AND CITIZENSHIP CLASSES—FEDERAL COSTS

Mr. Coyle:

What was the percentage of total costs, for English and citizenship classes for new Canadians in Canada, paid by the federal government in 1951?

Mr. Harris: This information is not available, as provincial governments have jurisdiction over education.

ELECTRICAL POWER—IMPORT AND EXPORT, UNITED STATES-CANADA

Mr. Laing:

1. In the past year, what was the value of the export of electrical power to the United States?
2. Was there any import of electrical power from the United States of America during the same period? If so, what was the value of same?

Mr. McIlraith:

1. Canadian exports to United States, calendar year 1951, $7,938,218.

2. Canadian imports from United States, calendar year 1951, $155,815.

BRANDON INDIAN SCHOOL—CONSTRUCTION OF BARN

Mr. Dinsdale:

When will work commence on the new barn for the Brandon Indian school, as provided for in the estimates at the last session of parliament?

Mr. Harris: Before the end of the present fiscal year.

SHIPMENTS OF CUBAN REFINED SUGAR

Mr. Blackmore:

1. How much Cuban refined sugar has been unloaded in Canadian ports since September 1, 1952?
2. How much Cuban refined sugar is at present in Canadian ports in process of being unloaded, or waiting to be unloaded?
3. Is any Cuban refined sugar reported to be in process of being loaded in Cuba in preparation for shipment to Canadian ports before April 1, 1953?
4. If so, how much?

Mr. McIlraith:

1. Information not available.

Imports of refined sugar from Cuba entered for consumption: September, 1952, 24,850 cwt.; October, 1952, 90,000 cwt. (preliminary).

2. Information not available.

3. Information not available.

4. Answered by No. 3.

CAR ACCIDENTS—FATALITIES AND CONVICTIONS

Mr. Diefenbaker:

1. How many fatalities resulting from car accident or collisions have taken place, province by province, since the 1st of January, 1952?
2. How many persons, by provinces, since said date, have been convicted of (a) motor manslaughter; (b) driving when intoxicated; (c) driving when impaired; (d) driving recklessly or dangerously?

[Mr. Benidickson.]

Mr. McIlraith:

1. Fatalities resulting from motor vehicle accidents:

	January 1 to June 30 1952	
Newfoundland	1	(1)
Prince Edward Island	3	
Nova Scotia	45	
New Brunswick	43	
Quebec		(2)
Ontario	377	
Manitoba	33	
Saskatchewan	36	
Alberta	54	
British Columbia	62	
Yukon and Northwest Territories	1	
Total	655	

(1) City of St. John's only. Reports for rest of province not available.

(2) Not yet available.

2. The number of prosecutions, by provinces, of persons charged with indictable offences is reported on the basis of "date of trial". Therefore, information for 1952 is not yet available.

SOUTH SASKATCHEWAN RIVER PROJECT—EXPENDITURES

Mr. Diefenbaker:

How much money has been expended on the Saskatchewan river power and irrigation scheme, month by month, since the 1st of June, 1952?

Mr. McCubbin:

June $39,563.48; July $51,152.21; August $33,273.30; September $39,355.86; October $37,151.02.

FOOT-AND-MOUTH DISEASE COMPENSATION—DECLARATION AS INCOME

Mr. Diefenbaker:

Has consideration been given by the government to relieving the farmers in Saskatchewan from having to include, as current income, any payment received from the Department of Agriculture in connection with cattle destroyed in the eradication of foot-and-mouth disease?

Mr. McCann: The government has not given consideration to relieving farmers from including as income payments received from the Department of Agriculture in connection with the eradication of the foot-and-mouth disease in cattle where such payments properly constitute taxable receipts under the provisions of the Income Tax Act.

CHINESE ENTERING CANADA—PAYMENT OF HEAD TAX

Mr. Pearkes:

1. Are Chinese immigrants charged a head tax upon entering Canada? If so, how much?

2. Are Canadian-born Chinese, and Chinese who have become Canadian citizens, charged a head tax on returning to Canada after visiting China?

3. Is a woman, born in China, who marries a Canadian citizen of Chinese origin, entitled to enter Canada without paying head tax?

Mr. Harris:

1. No.

2. No.

3. A woman of Chinese origin, married to a Canadian citizen, is admissible subject to the provisions of the immigration act and regulations. See also answer to No. 1.

H.M.C.S. "ST. STEPHEN"

Mr. Pearkes:

1. Was H.M.C.S. *St. Stephen* transferred to the Department of Transport? If so, when?

2. Has H.M.C.S. *St. Stephen* been converted to a weather ship?

3. If not, when is it expected that she will be ready to assume duties as a weather ship in the Pacific ocean?

4. When did H.M.C.S. *St. Stephen* reach Esquimalt, British Columbia?

5. What is the strength of her present crew?

6. When is it expected that the full crew will be taken on?

7. Does the present crew of H.M.C.S. *St. Stephen* receive superannuation and sick benefits of a similar nature to those granted the crews of other weather ships?

Mr. Benidickson:

1. The H.M.C.S. *St. Stephen* is on loan to the Department of Transport since August 16, 1950.

2. H.M.C.S. *St. Stephen* operated on the Atlantic as a weather ship.

3. This vessel is only retained on loan during the pleasure of the navy. The ship has a considerable amount of weather observation equipment fitted on board and it was felt desirable to retain her in her present condition rather than convert her for use as a naval ship in order that the department would have another ship to fall back on in the event of accident to one of the operating vessels.

4. The *St. Stephen* reached Esquimalt on the morning of August 15, 1950.

5. No crew has ever been established for this vessel, but 9 persons are engaged in watching services.

6. The department does not plan to operate this vessel.

7. The people employed on the *St. Stephen* at the present time are temporary prevailing rate employees and come under the regulations for such labour. They do not receive superannuation nor sick mariners' benefits.

SAGUENAY RIVER—BUOYS

Mr. Gagnon:

1. Who is in charge of placing and removing of buoys in the Saguenay river?

2. What amount is paid for this work, and what is the term of the contract?

Mr. Benidickson:

1. Mr. G. H. Lavoie.

2. $2,100 per annum; 3 years from July 2, 1950.

BEEF AND OTHER MEAT PRODUCTS—PURCHASES, SALES, ETC.

Mr. Wright:

1. How much (a) beef; (b) other meat products, has the Canadian government purchased from New Zealand during 1952?

2. What amounts of these beef or other meat products have been delivered to date?

3. What amounts are now in storage in the United States of America?

4. What amounts have been disposed of in the United States market?

Mr. McCubbin:

1. The government of Canada has not purchased beef or other meat products from New Zealand. Under the arrangements announced by the Minister of Agriculture in the House of Commons on May 9 surplus beef in Canada has been purchased by the agricultural prices support board and shipped to the United Kingdom ministry of food. The United Kingdom ministry of food have diverted an equivalent amount of beef purchased in New Zealand for sale in the United States in exchange for the beef shipped to the United Kingdom.

2. As at November 20, 59,537,760 pounds.

3. As at November 20, 53,621,003 pounds.

4. As at November 20, 5,916,757 pounds.

ELEMENTAL SULPHUR—IMPORTS AND PRODUCTION CAPACITY

Mr. Laing:

1. What was the tonnage and value of Canadian imports from the United States of elemental sulphur, in each of the years 1945 to 1951?

2. What is the capacity in tons of Canadian construction already completed or announced for the production of elemental sulphur?

Mr. McIlraith:

1. Imports of sulphur from the United States:

	Tons	Value
1945	248,846	4,063,215
1946	273,493	4,269,864
1947	361,424	5,466,201
1948	354,622	5,528,740
1949	280,557	5,213,921
1950	390,333	7,730,126
1951	393,172	8,696,233

2. The plants now in operation in Alberta have a combined annual capacity of 20,000 tons. A recent announcement indicates that a plant to be built at Welland, Ontario, will recover about 9,000 tons per year initially, with possible expansion to 20,000 tons.

Questions

INDUSTRIAL AND OFFICE WORKERS—
WEEKLY WORK PERIODS

Mr. Knowles:

1. Has the government any statistics, later than those given in *Hansard* of December 3, 1951, as to the number of (a) industrial workers; (b) office workers, now on (i) a five-day week; (ii) a five and a half-day week; (iii) a six-day week?

2. If so, what are the numbers of each of the above groups of workers who are working for each of the periods indicated above?

3. Do the figures given in answer to question 2 include bank employees and any others recently placed on the five-day week?

Mr. Cote (Verdun-La Salle):

1. Yes.

2.

Distribution of plant and office employees working a five-day and more than five-day week based on 1951 Department of Labour Survey

Industries	Plant Workers		Office Workers		Total Covered by Dept. of Labour Survey	Total Paid Workers in These Industries (Labour Force Survey, November 1951)
	5-day Week	Week of more than 5 days	5-day Week	Week of more than 5 days		
Forestry (logging)	10,000	77,000	.....	.....	87,000	93,000
Mining	33,000	48,000	3,000	5,000	89,000	(*a*) 96,000
Manufacturing	537,000	233,000	119,000	38,000	927,000	1,256,000
Transportation, storage and communication. (*b*)	44,000	52,000	12,000	8,000	116,000	175,000
Public utilities	21,000	8,000	11,000	2,000	42,000	58,000
Trade	47,000	95,000	28,000	31,000	201,000	595,000
Services	17,000	67,000	5,000	6,000	95,000	814,000
Total	709,000	580,000	178,000	90,000	1,557,000	3,087,000

(*a*) Employment and payroll statistics.
(*b*) Does NOT include steam railways.

NOTE: The Department of Labour survey is based on returns made by app oximately 16,000 establishments having 15 or more employees each.

The extent to which the five-day week applies to workers in the above industries not covered by this survey is not known.

Of the industries not included in the above table, the larger are: agriculture, finance and insurance, and steam railway transportation. They comprise 2,243,000 paid workers. The labour force in November, 1951, included a total of 3,800,000 paid workers and a grand total of 5,110,000 "paid" and "own account" workers.

The number of paid workers in agriculture varies between seasons and regions but few are on a five-day week. In November, 1951, there were 90,000 paid workers in a total of 875,000 in the industry.

In building construction, the five-day week is common among organized workers. Of 107 collective agreements covering the building trades examined recently in the larger cities, about 80 per cent provided for a five-day week.

[Mr. McIlraith.]

No information is available concerning other types of construction. There are 299,000 paid workers in the industry and 367,000 altogether.

In finance and insurance, there were in November, 1951, 147,000 paid workers and 158,000 altogether.

Of the 190,000 employees of the steam railways, 143,000 non-operating employees are on the five-day week.

3. No.

HAITI RAW SUGAR IMPORTS—REBATES

Mr. Murphy:

What was the total amount rebated by the Canadian government to Canadian refiners on imports of Haiti raw sugar brought into Canada under the Haiti-Canada agreement, and the poundage involved in such rebates, in (a) 1951; (b) 1952?

Mr. McCann:

(a) 1951, nil; (b) 1952, nil.

MANITOBA FARMERS UNION RESOLUTIONS

Mr. Dinsdale:

1. Did the Minister of Agriculture receive a copy of the resolutions submitted from the annual meeting of the Manitoba farmers union during December, 1951?

2. If so, did the minister acknowledge receipt of these resolutions?

3. What action, if any, has been taken in reference to the resolution submitted?

Mr. McCubbin:

1. There is no record of any resolutions passed by the annual meeting of the Manitoba farmers union during December, 1951, being received in the office of the Minister of Agriculture.

2 and 3. See answer to question No. 1.

MING SUNG INDUSTRIAL COMPANY

Mr. Blair:

1. Is the Ming Sung Industrial Company in default on any Canadian government-backed loans to any Canadian bank, and if so, for what amounts and from what date?

2. If in default, how much has the Canadian government had to pay to date?

3. What is the total amount of the loan, if any, guaranteed by the Canadian government?

Mr. Garson:

1. Yes, on amounts of principal and interest falling due on and after June 30, 1951, totalling $2,962,977.30.

2. $2,962,977.30.

3. The total outstanding principal amount of the loan guaranteed by the Canadian government is $10,200,000.

CUBAN RAW SUGAR IMPORTS—REBATES

Mr. Murphy:

What was the total amount rebated by the Canadian government to Canadian refiners on imports of Cuban raw sugar brought into Canada under the Canada-Cuba agreement, and the poundage involved in such rebates, in (a) 1951; (b) 1952?

Mr. McCann:

(a) 1951: Total amount, nil; poundage, nil. (b) 1952: Total amount, $53,265.83; poundage, 28,445,776.

DOMINICAN REPUBLIC RAW SUGAR IMPORTS—REBATES

Mr. Murphy:

What was the total amount rebated by the Canadian government to Canadian refiners on imports of Dominican Republic raw sugar brought into Canada under the Dominican Republic-Canada agreement, and the poundage involved in such rebates, in (a) 1951; (b) 1952?

Mr. McCann:

(a) 1951, nil; (b) 1952, nil.

AWARDS OF BATTLE HONOURS

Mr. Pearkes:

1. What engagements during world war II are to be designated as battle honours?

2. When will the award of battle honours be made to regiments in the Canadian army?

3. How many honours will each regiment be allowed?

Mr. Dickey:

1, 2 and 3.

The problem of which engagements during world war II are to be designated as battle honours is now being studied by the British Commonwealth "Battles Nomenclature Committee". The director of the army historical section is the Canadian representative. A final decision is not expected before late 1953 or early 1954.

NATIONAL PHYSICAL FITNESS ACT—DUTIES OF EMPLOYEES, ETC.

Mr. Thatcher:

1. How many employees are there across Canada hired under the National Physical Fitness Act?

2. What are the duties of each?

3. What specific work is each of these employees presently engaged at?

Mr. McCusker:

1. The 1952-53 estimates (see page 346) provide for eleven employees whose duties relate to the administration of the National Physical Fitness Act. Of these eleven positions, two are actually vacant now.

The seven provinces with which agreements are in effect under the National Physical Fitness Act employ their own staff in carrying out the physical fitness program within their respective provinces.

2 and 3. The duties of the eleven employees referred to above are as follows:

1 National director, vacant
1 Assistant director, (administrative officer grade 3)
1 Technical officer grade 3
1 Reference assistant, vacant
1 Principal clerk
1 Stenographer grade 3
1 Stenographer grade 2B
1 Typist grade 2B
1 Typist grade 2A
1 Typist grade 1
1 Clerk grade 2B

The assistant director is responsible for the administration of the division of physical fitness, acts as consultant in physical education and recreation and, in addition, serves as executive secretary of the national council on physical fitness. The technical officer Grade 3 is a specialist in the field of recreational drama who serves in a consultant capacity to the provinces in this specialized

recreational field. The other staff members of the division carry the usual office clerical and stenographic duties.

STATISTICS—BREAK-DOWN OF CERTAIN CATEGORIES

Mr. Knowles:

With reference to the dominion bureau of statistics publication of 1952 entitled "National Accounts Income and Expenditure 1926-1950", what is the break-down of the twelve categories of expenditure listed under group VII on page 123, and referred to in items 23, 24, 25 and 26 in table 36 on pages 74 and 75 of the said publication?

Mr. McIlraith: The estimates of individual items in group VII, personal and medical care and death expenses, are not available at the fine level of detail mentioned at page 123 of national accounts, income and expenditure, 1926-1950. The reason for this is that the various groupings are projected from information gathered during the 1931 and 1941 census, and certain other basic information. The 1951 population census and the 1951 census of distribution will provide further information which will be incorporated when detailed tabulations are completed. In the meantime, the level of detail at which reliable estimates can be provided within the category "personal and medical care and death expenses" is that which is shown at page 74 of the above publication.

TORBAY-GANDER FLIGHT OF R.C.A.F. AIRCRAFT—MR. BROUN-WOGAN

Mr. Higgins:

1. Has the bill for the amount of $233.85, sent to the provincial treasurer of the province of Newfoundland on January 9, 1952, to cover the cost of a flight of a Royal Canadian Air Force Canso aircraft dispatched from Torbay airport, Newfoundland, to Gander airport on the night of November 22, 1951, and which carried a German national employed by the Department of Economic Development of Newfoundland named Broun-Wogan, been paid?

2. If so, was the bill paid by the Newfoundland government?

3 If not, has any effort been made to obtain payment since the bill was submitted on January 9, 1952?

Mr. Dickey:

1. Yes.

2. Yes.

3. Not applicable.

CUSTOMS BUILDINGS, ST. LEONARD AND CLAIR, N.B.

Mr. Dube:

When will the work be started on the new customs buildings at St. Leonard, New Brunswick and Clair, New Brunswick, referred to in the estimates submitted at the last session of parliament?

[Mr. McCusker.]

Mr. Fournier (Hull): It is expected that construction will commence on the new customs buildings at St. Leonard and Clair, N.B., during the summer of 1953.

RAILWAY STATION, JACQUET RIVER, N.B.

Mr. Dube:

1. To what company was the contract awarded for the railway station at Jacquet River, New Brunswick?

2. What is the area of the station?

3. What will be the total cost of the station?

4. Were tenders called?

5. How many submitted tenders, and what are the amounts thereof?

Mr. Benidickson:

The Canadian National Railways advise as follows:

1. Mr. Louis Ouellon, Campbellton, N.B.

2. 79 feet by 26 feet 8 inches.

3. It is not the policy of the company to make public the amounts tendered for work undertaken as the result of calling for tenders.

4. Yes. By public announcement in papers at Moncton, Saint John and Campbellton, N.B.

5. (a) Two; (b) See answer to No. 3.

FIVE-DAY WEEK—WINNIPEG

Mr. Knowles:

1. What is the source and date of information received by the treasury board with respect to the extent of the five-day week among private employers and employees in Winnipeg?

2. To what extent is the five-day week in effect in Winnipeg according to such information?

3. Is later information being sought?

4. To what extent does the treasury board contend the five-day week must be in effect among private employers and employees in any city before the year-round five-day week can be extended to the federal civil service in that city?

5. Is the situation in Winnipeg being reconsidered?

6. Is the situation in other cities being reconsidered? If so, what cities?

Mr. Garson (for Mr. Abbott):

1. (a) "The normal work week in 29 Canadian cities, October, 1951". (Source—The *Labour Gazette*, September, 1952.)

(b) Information from the local offices of the unemployment insurance commission through the civil service commission, September, 1952.

2. (a) As per source indicated in 1 (a) 43·1 per cent of the total office employees reported and 64·5 per cent of the total plant employees reported were working a five-day week.

(b) As per source indicated in 1 (b) 50·8 per cent of office employees.

(This information has been supplemented and supported by information acquired in Winnipeg by treasury board staff.)

3. Yes. (By the civil service commission).

4. It is not expected that a rigid standard would be applied. Generally speaking, if it is clear that the preponderant local practice among business and industrial firms is to work a five-day week, then consideration would be given to allowing departments of government to put the five-day week into effect if no additional staff or funds were required and no reduction were made in service to the public. However, the decision with respect to any locality might also be influenced by other factors, such as difficulties encountered by the civil service commission in recruiting in that area.

5. Yes. (By the civil service commission).

6. Yes. The civil service commission in response to various requests and proposals has the following locations under consideration:

Ontario, Peterborough; Oshawa; Niagara Falls; St. Catharines-Welland; Hamilton; Brantford; Kitchener-Waterloo; Galt-Preston; London; Windsor; Sarnia; Sudbury; Sault Ste. Marie; Fort William-Port Arthur.

Saskatchewan, Regina.

Alberta, Edmonton.

Quebec, Quebec city.

Nova Scotia, Halifax; Sydney.

New Brunswick, Saint John; Moncton.

British Columbia, Vancouver; Victoria.

The complete answer to this question has been supplied by the civil service commission because the civil service commission receives requests for application of the five-day week from departments and submits them, after consideration, to the treasury board. The treasury board has before it for consideration when it has received a reply from the national joint council to the letter from the Minister of Finance, tabled in the House of Commons on November 28, 1952, the following cases only: Belleville; Brantford; Fort William-Port Arthur; Hamilton; Kitchener; London; Port Colborne; St. Catharines; Welland; Windsor.

R. S. PITT—TRANSFER

Mr. Macdonnell (Greenwood):

1. (a) How long was R. S. Pitt, former manager of the Fort Garry hotel in Winnipeg, in the service of the Canadian National Railway hotel system; (b) What had been his experience in hotel management before he was appointed to the Fort Garry hotel; (c) How long had he been at the Fort Garry hotel; (d) Had there been any complaint regarding his work there?

2. (a) What was his salary as manager of the Fort Garry hotel; (b) Was there any reduction made in his salary when he was sent to the Prince Edward hotel in Brandon; (c) What was the salary of the former manager of the Prince Edward hotel?

3. Was any complaint, verbal or written, regarding any incident at the Fort Garry hotel during the Prime Minister's visit on September 10 last, made to the railway or hotel management or to the Department of Transport, or to any representative of any of the foregoing by or on behalf of the Prime Minister or of any one of those who were accompanying him at Winnipeg on September 10 last?

Mr. Benidickson:

The Canadian National Railways advise as follows:

1. (a) Since May 22, 1928.

(b) He was manager of the Nova Scotian at Halifax from December 8, 1931 to November 1, 1941. After returning from military service he was appointed manager of the Bessborough at Saskatoon on August 15, 1946.

(c) Since July 12, 1951.

(d) Yes.

2. (a) The management of the Canadian National Railways has always taken the position that it would not be in the interest of the company or its personnel to make public information pertaining to the salary arrangements or remuneration paid to officers.

(b) No.

(c) See answer to No. 2 (a).

3. No.

In so far as the Department of Transport is concerned:

3. No.

ARMED FORCES—PUBLIC RELATIONS OFFICERS

Mr. Thatcher:

How many public relations officers are at present members of, or attached to the (a) army; (b) navy; (c) air force?

Mr. Dickey:

	Canada (Commands and Headquarters)	Korea	Europe and United Kingdom	Totals
Navy	8 (including ships at sea)	1	0	9
Army	9	3	4	16
Air force	10	0	2	12
				37

URANIUM—EXPORT, DELIVERIES, ETC.

Mr. Hodgson:

1. Has the government of Canada or any department thereof been asked to permit the exportation to the United States of any uranium ore or concentrates?

2. If so, by whom?

3. Has uranium ore from the area in or around the county of Haliburton in Ontario been delivered to any department of the dominion government in Ottawa for research and assay?

4. If so, by whom was such uranium ore delivered?

Questions

5. What was the result of the researches made or assays taken, and was any report made to the party or parties making such ore deliveries?
6. If not, for what reason?

Mr. Howe: It is not in the public interest to answer this question as deliveries of uranium are top secret information of a type that cannot be given out.

Mr. Speaker: Dropped.

CHARLOTTETOWN AIRPORT—EXTENSION OF RUNWAYS

Mr. McLure:

1. What is the length of the runways at Charlottetown airport?
2. Has the Minister of Transport received any representations from (a) the city of Charlottetown; (b) the government of Prince Edward Island, asking that these runways be extended to accommodate larger airplanes?
3. What action, if any, will be taken in reference to extending the accommodation at this airport?

Mr. Benidickson:

1. East-west (09-27), 2,993 feet long; South-east-northwest (14-32), 2,496 feet long; North-south (18-36), 2,705 feet long.

2. (a) Yes. (b) Yes.

3. The inclusion of an item for the first stage development of a new runway 7,000 feet long is being considered for the departmental 1953-54 estimates.

WESTERN CANADIAN GREYHOUND LINES, LTD.—MAIL CONTRACT

Mr. Fulton:

1. How much is Canadian Greyhound (Western) Limited to receive for the carriage of mails to the main post offices from Ashcroft north on the Cariboo highway?
2. What mails does this contract cover?
3. When was the contract let?
4. Were tenders called for?
5. If so, from whom were bids received, and what was the amount of each bid?
6. If tenders were not called, what was the reason?

Mr. Langlois (Gaspe):

1. $3,776 per annum.

2. Letter mails only, to and from the post offices at Clinton, 70 Mile House, 100 Mile House, Lac La Hache, 150 Mile House, Williams Lake (at bus depot) and Quesnel (at bus depot).

3. Authorized 8th July, 1952. Effective 15th September, 1952.

4. No.

5. See answer to No. 4.

6. The offer of Western Canadian Greyhound Lines, Ltd., to perform the service at the rate of $3,776 per annum, equivalent to 2·77 cents per travelled mile, was most reasonable and possible only because of the scheduled bus operations of the company. Moreover, the company is known to be reliable and a dependable mail contractor. In the circumstances, it was considered that no purpose would be served by calling for public tenders and a contract was authorized in accordance with provisions of section 29 of the Post Office Act.

CANADIAN NATIONAL RAILWAYS, NFLD.—CONVERSION TO BROAD GAUGE

Mr. Higgins:

What is the estimated cost of converting the Canadian National Railways services in Newfoundland to broad gauge?

Mr. Benidickson:

The Canadian National Railways advise as follows:

No detailed estimate has been made. A rough estimate, including the cost of new equipment, modification of facilities, etc., would be not less than $100,000,000.

IRON ORE AND STEEL—PRODUCTION, EXPORTS AND IMPORTS

Mr. Higgins:

1. What is the total amount of iron ore mined in Canada in 1951, specifying the tonnage by provinces?
2. What is the total amount of steel produced in Canada in 1951, specifying tonnage by provinces?
3. What tonnage of iron ore was shipped from Canada to other countries in 1951, and what tonnage to each?
4. How much steel was imported into Canada in 1951, and from what countries?

Mr. McIlraith:

1. Production (mine shipments) of iron ore 1951

	Short tons
Newfoundland	1,724,991
Ontario	2,841,984
British Columbia	113,535
	4,680,510

2. Production of steel ingots and castings 1951

	Short tons
Nova Scotia	709,451
Quebec	120,310
Ontario	2,619,072
Manitoba	78,666
Alberta	1,037
British Columbia	40,184
	3,568,720

3. Exports of iron ore 1951

To	Short tons
United Kingdom	775,832
Germany	151,863
Japan	113,364
United States	2,184,708
	3,225,767

4. Imports of primary iron and steel

From	Ingot tons*
United States	1,410,000
United Kingdom	378,000
Belgium	233,000
France	92,000
Germany	72,000
Japan	12,000
Sweden	3,000
Other Countries	4,000
	2,204,000

* Tonnage of bars, rods, structural and other primary shapes converted to approximate equivalent tonnage in ingot form.

PORT AUX BASQUES AND NORTH SYDNEY—FERRY AND TERMINAL FACILITIES

Mr. Higgins:

1. When will the new ferry between Port aux Basques and North Sydney be put into operation?
2. When will the terminal facilities at North Sydney and Port aux Basques be completed?

Mr. Benidickson:

1 and 2. In the summer of 1954.

SHIRLEY AND SOUTHLAND CIGARETTES

Mr. Murray (Oxford):

1. Who was or is the importer of the Shirley and the Southland brands of American cigarettes?
2. What is the source or origin of these brands of cigarettes?
3. Are these cigarettes recognized as standard brands in the United States?
4. Are these cigarettes being distributed or retailed in all provinces of Canada?
5. What is the computed value of tobacco in a package of (a) Shirley cigarettes; (b) Southland cigarettes?

Mr. McCann:

1 and 2. It is contrary to the practice of this department to furnish information which would disclose the private transactions of importers or exporters at customs.

3, 4 and 5. No information available.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GOVERNMENT EMPLOYEES—RETIREMENT PROGRAMS—EMPLOYMENT PERIODS

Mr. Tustin:

1. How many persons employed by the government of Canada, as of February 1, 1952, were included under the Civil Service Superannuation Act and were making contributions to the superannuation account of the consolidated revenue fund?
2. How many persons, as of February 1, 1952, were employed by the government of Canada and were making contributions to the retirement fund for temporary employees, but were not entitled to benefits under the Civil Service Superannuation Act?
3. How many persons employed by the government of Canada, as of February 1, 1952, were not under any government employees retirement program?
4. Of the above number of persons not included under any retirement program, how many have been steadily employed for periods of (a) one to three years; (b) three to five years; (c) five to ten years; (d) ten years or over?

PURCHASES OF BONELESS CANNED BEEF

Mr. Wright:

1. Has the government entered into any agreement or arrangement to purchase boneless canned beef from Canadian packers?
2. If so, what are the terms and amounts covered by any such agreement?

FEDERAL CONTRACTS ON COST PLUS BASIS

Mr. Thatcher:

1. Since January 1, 1951, have any construction contracts (in excess of $100,000) been let by the Department of Defence Production or any other government department on a cost plus basis?
2. If so, what was the nature of each such contract, and the amount of money involved?

LEGAL SERVICES TO GOVERNMENT—CHICOUTIMI

Mr. Gagnon:

1. What are the names of the lawyers and notaries residing in the county of Chicoutimi who have acted as agents for the different departments or boards of the federal government, during the years 1948, to date?
2. What amount of fees has been paid to each of them, and in what case?

CHICOUTIMI RURAL MAIL SERVICE

Mr. Gagnon:

1. How many rural mail services are there in operation in the county of Chicoutimi, and how many contractors carry the mail from the point of arrival to the various post offices?
2. What is the name of each one of them?
3. What is his salary?
4. What distance must he cover to perform his work?
5. When does his contract expire?

Mr. Langlois (Gaspe): Return tabled.

GOVERNMENT PUBLICATIONS

Mr. Thatcher:

1. Since last June, has the government made any attempt to decrease the volume of pamphlets, periodicals, bulletins, or similar publications, published by the Queen's Printer?
2. If so, what results have been attained?
3. Since last June, what pamphlets, periodicals, bulletins, etc., if any, formerly put out by some government department have been discontinued?
4. Has the government considered the recommendation of the Senate standing committee on finance made last June 23, that a fair charge should be made for necessary government publications, such as geological surveys, maps, scientific publications, etc?
5. If so, have any specific steps been taken to implement the recommendation?

Orders for Returns

LEGAL SERVICES TO GOVERNMENT—RESTIGOUCHE-MADAWASKA

Mr. Dube:

1. What are the names of the lawyers and notaries residing in the county of Restigouche-Madawaska who have acted as agent for the different departments or boards of the federal government from 1949 to 1952?
2. What amount of fees has been paid to each of them and in connection with what services?

AGRICULTURAL AND GOLD MINING INDUSTRIES—SUBSIDIES AND OTHER AID

Mr. Fair:

1. During the past 13 years, what subsidies and other aid have been paid to farmers?
2. On what particular products were the subsidies paid and what amount on each, each year?
3. During the same period, what subsidies and other aids were paid to the gold mining industry?

GANDER, TORBAY, GOOSE BAY, HARMON AND DORVAL AIRPORTS

Mr. Higgins:

1. What is the cost of maintenance of (a) Gander airport; (b) Torbay airport; (c) Goose Bay airport?
2. What is the cash return from each such airport?
3. What is the average daily number of landings at (a) Gander; (b) Goose Bay; (c) Harmon; (d) Dorval, by commercial aircraft?
4. What is the cost of operation of Dorval airport?
5. What is the cash return from Dorval?

MOTIONS FOR PAPERS

CRIMINAL CODE—CHANGES OR ALTERATIONS

Mr. Diefenbaker:

For a copy of all correspondence exchanged between departments of the attorneys general of the provinces and/or law societies, and the Department of Justice, in which recommendations have been made for changes or alterations in the draft Criminal Code since the 1st of July, 1952.

ROBERT PITT—TRANSFER

Mr. Diefenbaker:

For a copy of all letters received by the Department of Transport in connection with the transfer of Robert Pitt from the Fort Garry hotel, Winnipeg, since the first day of September, 1952.

Mr. Benidickson: I now table this return.

BEEF—GOVERNMENT INSTRUCTIONS REGARDING FLOOR PRICE

Mr. Wright:

For a copy of all orders in council, regulations, and any directives, instructions or circulars issued by the government dealing with the floor price of beef, dated since January 1, 1952.

PURCHASES OF CUBAN RAW SUGAR

Mr. Murphy:

For a copy of the Canada-Cuba agreement, announced by the Minister of Trade and Commerce May 8, 1951, whereby Canada agreed to buy 75,000 tons of raw sugar in each of the years 1951-2-3.

[Mr. Thatcher.]

Mr. Howe: I have been looking into this question and I may tell the hon. member that there are no formal agreements. There was an exchange of letters which we will be glad to table if that will be satisfactory.

Mr. Speaker: Carried, according to the statement made by the Acting Prime Minister.

POST OFFICE

DEPARTMENTAL ADVERTISING

On the orders of the day:

Hon. Alcide Cote (Postmaster General): Before the orders of the day are called I should like to answer a question which was asked yesterday by the hon. member for Peel (Mr. Graydon) regarding post office Christmas advertising in weekly newspapers. This question will be found on page 457 of *Hansard* of December 9 and reads:

> Is the special pre-Christmas advertising of the Postmaster General's department going to all of the weekly newspapers across Canada? If not, what policy is followed in this respect?
>
> If the Postmaster General answers this question perhaps he might include in his answer what policy is being followed with regard to year-round advertising of the same department.

My answer to the first part of his question, asking if the Post Office Department's pre-Christmas advertising is going to all the weekly newspapers across Canada, is no. The policy followed is that the department in its Christmas advertising uses daily newspapers in all centres which are served by letter carrier delivery, but if there is no daily newspaper then any available weekly newspapers published in the same centre are used. In addition, because of the need for maximum advertising impact in the Toronto and Montreal areas, some weeklies are used as well as dailies.

As to the last part of the question inquiring as to the department's year-round advertising policy, Your Honour will recall having ruled that it was not in order at the time. However, I am prepared to give the answer now if Your Honour will permit me to do so.

Mr. Speaker: With the approval of the house.

Mr. Cote (St. Jean-Iberville-Napierville): Thank you, Mr. Speaker. I presume that the hon. member refers to the department's year-round advertising policy with respect to weekly newspapers. The department's policy with respect to the weeklies in its year-round advertising is the same as that followed at Christmas with the exception that the weeklies of Montreal and Toronto, as previously referred to, are not used. All

told, about 140 Canadian weekly newspapers regularly publish the advertisements of the department.

UNSEALED CHRISTMAS CARDS

On the orders of the day:

Mr. E. G. Hansell (Macleod): I should like to direct a question to the Postmaster General. I am sorry that I did not give him notice, but he might take it as such. Considering that there are only two weeks until Christmas and that a large volume of Christmas card mail is going out, will the government give consideration to a reduction of the postage rate for unsealed Christmas cards until after Christmas?

Hon. Alcide Coté (Postmaster General): I doubt very much if that can be done but I will be pleased to inquire into the matter and answer accordingly.

LEGISLATION

REFERENCE OF CERTAIN ACTS OF QUEBEC LEGISLATURE TO SUPREME COURT OF CANADA

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to address a question to the Minister of Justice. Has the minister advised the government to refer certain acts of the Quebec legislature to the Supreme Court of Canada, and particularly an act authorizing the seizure of vehicles transporting certain products, with a view to obtaining an opinion as to their constitutionality having regard to implications, among other matters, concerning interprovincial trade? If not, will he do so?

Hon. Stuart S. Garson (Minister of Justice): This question, of which I must thank my hon. friend for having given me notice, raises a question as to the advice which the law officers of the crown may have given to the government. I think it is a settled rule of the house that advice of that sort has always been treated as confidential. May, fourteenth edition, page 337, says:

> A question cannot be asked "seeking . . . advice given to the crown by law officers".

Bourinot, page 250, says:

> As a rule the opinions of the law officers of the crown are held to be "private communications" when given for the guidance of ministers and may be properly refused by the government.

May, page 256, says:

> The opinions of the law officers of the crown given for the guidance of ministers in any question of diplomacy or stated policy being included in the class of confidential documents, have generally been withheld from parliament.

Mr. Coldwell: I rise on a question of privilege. I did not ask what advice the law officers of the crown gave. I asked what advice the minister was giving on this matter, which I think is an entirely different question.

Mr. Garson: No, with great deference, Mr. Speaker. If my hon. friend will examine the wording of his question he will see that it reads as follows:

> Has the Minister of Justice advised the government to refer certain acts of the Quebec legislature to the Supreme Court of Canada . . .

That would be a piece of legal advice given which would have to be based upon an opinion to the effect that the Quebec legislation was properly referable in that a question arose as to its constitutionality.

CIVIL SERVICE

WINNIPEG—PETITION FOR FIVE-DAY WEEK

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): I should like to direct a question to th Minister of Justice. May I say, Mr. Speaker, that I have sent to the minister the resolution on which my question is based. It was passed the night before last by the federal civil servants of Winnipeg, petitioning the government to include Winnipeg's federal civil servants in the five-day week. Will this petition be considered? Will the minister accept the invitation suggested in the resolution to attend a mass meeting of federal civil servants in Winnipeg to discuss this matter?

Hon. Stuart S. Garson (Minister of Justice): I know my hon. friend has not had an opportunity to examine the answer to question 71 on today's order paper which I tabled this afternoon. Item 5 of that question is in the following terms: "Is the situation in Winnipeg being reconsidered?" The answer to item 5 in the return to question 71 is: "Yes, by the civil service commission". I think that answers the first part of my hon. friend's question. As to the second part having to do with the invitation, if my hon. friend will examine the resolution he will see that it indicates that a mass meeting will be called in the event of the matter not being reconsidered and something being done. As I certainly have not received any such invitation, the question is purely hypothetical and I will be glad to answer it when it becomes an actual one.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, December 9, consideration of the motion of Mr. J. L.

Deslieres 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. George A. Drew (Leader of the Opposition): Mr. Speaker, in the short time I had been speaking before the house rose last night I had been discussing the subject of television which had been introduced the day before by the Minister of National Revenue (Mr. McCann) who is the minister responsible for that subject. I had expressed the hope that the minister would see fit to indicate to the house something of the nature of a program about which he had been questioned earlier and with regard to which he seemed to feel so little concern. Since the minister has not seen fit to place this subject before the house, I believe it is appropriate to indicate the nature of programs that are going over Canadian television stations and that are being permitted with the knowledge of the government at a time that the government is accepting full responsibility for the policy of expansion of television in this country.

May I repeat that the government has removed any uncertainty as to where the responsibility lies. The day before yesterday the Minister of National Revenue stated that after due consideration the government has decided as a matter of policy the course that is to be followed with respect to the extension of television broadcasting in Canada. I have indicated that the program in question is one of a particularly offensive nature. I am not suggesting for one moment that this is the only offensive program; on the contrary, there have been others. But I return again to a discussion of this program today because it has been referred to in the press, and a very condensed statement as to the nature of the program was carried in the newspapers across Canada which are subscribers to the Canadian Press service. This program, which was broadcast by the C.B.C. on November 29 for a period of an hour and a half, I am informed, was under the title of "Hilda Morgan". In last night's Ottawa *Citizen* there is a Canadian Press dispatch which contains the following statement, and I quote from that dispatch:

> The play "Hilda Morgan", carried by the C.B.C. November 29 dealt with the problem of a Toronto school teacher who becomes pregnant and whose fiancé is killed before the scheduled wedding day. She decides to have the baby and face whatever gossip and loss of reputation her action may bring.

Since this has gone across the country in the form of a Canadian Press dispatch I do not feel the same reluctance in bringing this matter up in the house and I think it should be further considered. According to the information I have received, the television broadcast was based on the broad general plan outlined in the Canadian Press dispatch but it went much further. It described the predicament of this unfortunate girl in the play who was being seen by the people who were tuned in on this television broadcast. There was a discussion in which her mother urged her to follow a course that might be very seriously open to objection by many people in this country, and by many parents who would be greatly concerned about the nature of a broadcast of this kind.

This girl, according to the play, then decided to discuss the matter with the man who had become her fiancé and the discussion centred around an illegal operation, the cost of the operation, where the medical services could be obtained, how much the services would cost and what the additional expense would be. Following the tragic death of her fiancé, in this play, the girl then goes through very natural mental debates with herself as to the course she should follow and that course was as outlined in the Canadian Press dispatch.

Mr. Speaker, this is different from ordinary radio broadcasting. Every human being who can see is more attracted by a picture of any kind than by words. There is an old Chinese maxim that one picture is worth 10,000 words. In its impact upon the mind of a young person this is particularly true. Young children might pay very little attention to words of that nature coming over the radio unaccompanied by any picture. Given dramatic emphasis by a picture on a screen, something of this kind becomes intensely real to anyone who sees it—particularly to young and imaginative minds.

This was the program to which I drew the attention of the Minister of National Revenue (Mr. McCann) on the very day that the government had stated that the expansion of television is a government policy, not a C.B.C. policy, and that the government is deciding where and how it is to be done. On that same day the minister indicated his lack of concern by leaving the impression that the report he had received indicated no cause for concern.

Mr. Speaker, I know what my feeling would be if I came into a room in my own house and found my twelve-year-old daughter looking at a picture of that kind. I know perfectly well what the feeling of any parent would be who found his daughter or his son of that age, or an older age, looking at a picture of this kind.

[*Inaudible interruption.*]

Mr. Drew: I will pay no attention to the interjection because I am sure that there are not more than one or two in this house who would treat a subject of this kind lightly. I can imagine that there would be parents who would like to get their hands on the person responsible for projecting a broadcast of that kind into their own homes. I should think that most people would agree that it is a despicable thing to introduce a program of that nature into homes where the parents may have no opportunity to exercise supervision over what their children may be seeing at a particular time. At least they can exercise some discipline over their children as to whether they do or do not go to moving picture houses. Also we should recall that the moving pictures in every province are subject to censorship by some provincial agency.

Mr. Speaker, in view of the lack of concern expressed by the minister on this occasion I can only hope, if the dominion government, which now accepts full responsibility for the policy of the C.B.C., is unwilling to take any action in regard to matters of this kind, that the provincial governments right across Canada will take action to prevent filth of that kind going out over the television stations of this country.

Mr. McCann: You did not ask me my opinion.

Mr. Drew: If we cannot look for some standards of decency being imposed by the government, which now accepts responsibility, then I hope those governments which are responsible for property, civil rights, and the general welfare of people in their community, will seek a way to control things of this kind.

Now I wish to refer to certain of the technical aspects of television broadcasting. When this subject was under consideration the day before yesterday I referred to the fact that arrangements were being made to pipe in programs from the United States through a Buffalo outlet. I was referring to the microwave relay communication with Buffalo, and the minister interjected "C.B.C. has no relay". Now, Mr. Speaker, the C.B.C. has made arrangements for a relay.

Mr. McCann: You are dealing with two different things.

Mr. Drew: I am not.

Mr. McCann: Mr. Speaker, as a matter of privilege—the other day the hon. gentleman indicated in his remarks that the C.B.C. was building a relay system. They are not. It is being built by the Bell Telephone Company and the C.B.C. in all likelihood will make arrangements with them to use it on a rental basis.

An hon. Member: That is one way of dodging it.

Mr. Drew: Mr. Speaker, the minister is dodging it right now. This microwave relay was built with the absolute understanding with the government, or rather with the C.B.C., which of course would have to obtain permission from the government which accepts full responsibility for policy, that the government would pay an annual rental which was estimated in the press to be $235,000 a year. I will go no farther than to say that I would be very surprised, in view of the information I have received, if the minister would challenge the statement that there is an arrangement for rental to be paid to the Bell Telephone Company for the use of that microwave relay from Buffalo for the purpose of piping into the Canadian system these very American programs which we were told we were going to be protected against. Why this evasion, I do not know. This was built with the knowledge that it was going to be used. There was never any doubt about it. The fact is, there is no secrecy about it. It has been publicly discussed in the press, and great concern has been expressed by those associated with the Canadian Broadcasting Corporation because they have not been able to arrange to bring in those programs which the C.B.C. was going to protect us against. When I say "protect us against", that is what they said. The C.B.C., of course, is now very anxious to bring in these programs.

Obviously, some of the people who produce these programs on the other side are not prepared to let them come in at bargain rates. So far as I know, the only one that has reached the point of causing any uncertainty, because of a decision being before the C.B.C., is the question as to whether the program by Bishop Sheen, which has wide acceptance in the United States, is to be permitted to be televised here in Canada. I certainly believe that it would be a very strange thing if a religious program were to be denied when programs such as that to which I have referred are going to be freely permitted and allowed to be broadcast into the homes.

There is a microwave relay. As a matter of fact, anyone driving between here and Toronto has seen the towers; or at least some of the towers are the C.B.C. microwave relay.

Mr. McCann: It is the Bell Telephone relay system.

Mr. Drew: It is a microwave relay constructed by the Bell Telephone on the understanding that it is to be used by the C.B.C.,

on the assurance that commercial producers were being sought by the C.B.C. who would broadcast over these microwave relay stations. In fact, a contract would not be obtained unless they did give that assurance.

Let me come now to the broad question of policy stated by the government. The government has taken the position that it is going to preempt the large and most populous centres where it would have been easy to have obtained television broadcasting without any expenditure to the receiving public or to the taxpayer. They have preempted that, and they are leaving it to the private investor to go out to the distant points and give that service. As a result of this iron curtain which the government—and I underline the government—has placed upon television, it is a very interesting thing to note that almost anyone in the United States will be able to watch the coronation proceedings on television within twenty-four hours, while only a handful of Canadians who are fortunate enough to be able to receive the United States broadcasts will be able to have the same facilities. This is the result of the restrictive policy adopted by this government for the sake of preserving the holy cow, the C.B.C., which the government has set up as some sort of supermonster that is to be subjected to no restraint of any kind and is to compete on no ordinary terms of competition.

This is the government that describes itself as the liberal free enterprise government.

Some hon. Members: Hear, hear.

Mr. Drew: It is not even prepared to stand by public ownership. It is only prepared to stand by public ownership in television where the very easy pickings lie; but as for the areas in which difficulty presents itself—and these are the areas the C.B.C. was set up to reach—it is going to be left to the private investor to give service to the public. This is indeed a complete reversal of the policy that was laid down.

Now, there is going to be a further barrier. The impression had been left that once the holy cow was established, then it might be possible for some other less important member of the same breed to invade the same area. Now, they have decided against that. As a matter of fact, they have found how tough free enterprise competition is, and they are not going to permit it. They have found, for instance, in the Toronto area, in which there is competition between the free enterprise station at Buffalo and the C.B.C., only a small percentage of the audience looks at the C.B.C. presentations. Perhaps that is the one saving grace in connection with the filthy program that was broadcast by the C.B.C.; probably there were not enough people attracted to the program and it did not do as much harm as otherwise would have been the case. Now, confronted with all kinds of competition, they are not going to permit it. They are going to obtain an absolute monopoly. Then, when the Grey Cup football game goes off the air for one-third of the game and people's blood pressure rises as they wonder what is happening in the interim period, there is going to be no competition to show up this protected monopoly which the government, by its policy, is establishing.

There is another very interesting development in this connection and which is pointed out by something that appeared today in the Montreal *Gazette*. It is entitled "On and off the record". The article reads:

> Shape of TV pattern: When Burlington, Vermont, gets a television station, probably next October, watch for a repetition of the situation presently existing in Buffalo, New York, where liberal chunks of program time are taken by advertisers directing their message to Canadians in the Niagara-Hamilton-Toronto area, rather than to residents of the United States. As a result of this situation, TV station WBEN in Buffalo has just received permission to increase its power to 50,000 watts, and increase the height of its masts to 1,100 feet, the second tallest in North America. These improvements will enable it to give virtually local-station reception and clarity as far away as Toronto. Backers of the proposed station at Burlington anticipate the same situation as with the New York outlet. With 80 per cent of the available Canadian TV sets tuned to WBEN, it is expected the percentage will not differ radically here.

When I was out in Vancouver not long ago, I read that an application was to be made for a television broadcasting station just south of the United States border for the one purpose of broadcasting commercial television programs to Canada. The Canadian service is to be limited to this one monopoly station in Vancouver. What this means is simply this. Some Canadians who live near the border are going to be able to hear the free voice from beyond the iron curtain. They are actually going to be able to hear broadcasts that are being prepared by those whose competition forces them to establish some standards of attractiveness in order to gain the commercial time on those stations.

By all means let the government recognize that there is a place for publicly-owned television. Since this was only a preliminary announcement, or rather a second stage announcement of government policy, I would hope we would have a third stage announcement of government policy before the legislation is introduced. This announcement would inform us that the government has discovered that they went at this thing backwards; that they have decided that the stations in the large centres will be private stations; that they will carry out the original intention of

the Canadian Broadcasting Corporation; and that they will provide the television stations in those distant areas which cannot possibly be served by the ordinary private investment because of the sparse population in those areas. That was the reason for the existence of publicly-owned broadcasting and would appear to be the reason for its continuity with a publicly-owned television system.

To remove any suggestion that criticism of this restrictive attitude toward television is in any way a partisan approach to this subject, may I read from a paper that has been a consistent supporter of this government, namely the Vancouver *Sun*. The heading is "Ingrained Despotism", and the article reads as follows:

> Canada's broadcasting industry is sick . . .
> Refusal of the right to compete keeps private radio puny and makes C.B.C. sluggish. The condition will be even worse with the advent of television . . . C.B.C. is to hold TV monopoly in the large and lucrative cities. Private TV is confined to smaller centres which C.B.C. doesn't want.
> Obviously private TV is bound to do a poor job because it won't be able to afford to pay for good programs. And C.B.C. won't need to bother about trying to please the big city public because its viewers can't dial to another local station.
> This scheme doesn't make sense. It would be completely reversed if C.B.C.'s only aim is to give the people the best possible TV.

Mr. Speaker, the last words that I read describe exactly the proposition I have been putting before the house. I repeat them:

> This scheme doesn't make sense. It would be completely reversed if C.B.C.'s only aim is to give the people the best possible TV.

Mr. Speaker, it is useless for the government to suggest that it has at no time recognized this policy. It recognizes this policy in connection with telephone communications. For instance, just a few days ago in this house a question was addressed to the Minister of Transport (Mr. Chevrier) by the hon. member for Kamloops (Mr. Fulton), when he asked what the situation was with regard to certain government-owned telephone lines in the province of British Columbia.

In British Columbia—and I am offering this only as an example—the government has recognized the fact that there are occasions when it is necessary for the government to step in and to provide facilities which ordinary private investment is not likely to be able to provide. Therefore the government of Canada did step in and provide government telephone communications with distant points in British Columbia. In fact, we had that subject up for discussion on another occasion, in the consideration of certain news that had been restrained in Vancouver island; and we found that the dominion government is actively interested in the operation of telephone lines. So that at distant points where private investment, in the normal course of events, would not be able to provide these facilities, government financing will step in.

Since that procedure has been accepted as a policy in connection with telephones, and since it was the policy which was the basis of the whole concept of the C.B.C., in order not to leave these remarks as offering criticism only, in all earnestness I urge the government to reconsider its stated policy before it presents the legislation and to remember that the basic concept of the C.B.C. was to provide facilities in those distant areas where, in the ordinary course of events, private investment could not be expected to offer facilities. May I also, in all earnestness, ask the government to reconsider its rather casual approach to some of these broadcasts which are now being permitted to go out over the stations for which it accepts full policy responsibility.

Mr. Speaker, I wish to refer to something that was said just after I spoke and which has been said on different occasions since that time during the debate that has been proceeding. On various occasions it has been suggested that the opportunity to examine national defence expenditures was fully covered by the committee on defence expenditures set up last year. I have no intention of extending discussion here, but I just want to point out one or two salient facts which I hope will be borne in mind by some of those who have been misled by a completely unfounded explanation which was given to this house by the Minister of National Defence (Mr. Claxton) and by others with regard to some of the fantastic orders which have been placed for military non-essentials.

It was shown yesterday by the hon. member for Calgary East (Mr. Harkness) that when the largest item of defence expenditures came before the committee last year, namely an item of $668,962,842 which is simply a bulk figure in the statement, it was pointed out that any inquiry into the details of the items which made up that huge total would not be permitted on this farcical ground of national security. What a farce it is to suggest that national security should deny to us an opportunity to find out how a figure of that kind is made up! After all, I think most sensible people recognize that on this continent the core of our defence rests in the armed forces of the United States. I propose to wait, Mr. Speaker, until the second debate has concluded.

An hon. Member: Go ahead.

Mr. Drew: Mr. Speaker, I want to point out that in the United States every one of the items of this kind has been before committees of congress and that it has been possible to examine them there. Yet here, in cases where we are frequently making precisely the same type of equipment, we are told that we must not have the details in this country. I mention that point particularly for this reason. When other items were mentioned, some emphasis was placed on the fact that a million and a half pair of boots, over a million ties, 29,000 teapots and a number of things of that type were simply stockpiling for a possible emergency. May I say that there is not a single member of this house who does not know that if there is to be stockpiling, that stockpiling must be related to some over-all figure. If this were, in fact, stockpiling it would be for a force of something in the nature of 500,000 instead of a force which is, in fact, at the moment more of the nature of 50,000. As was pointed out yesterday, there is no stockpiling for a large force of that kind. There are no guns, tanks, machine guns and other weapons being stockpiled for any large force of that nature.

Mr. Ferguson: They will throw teapots at them.

Mr. Drew: Yes; that would appear to be the concept of defence presented by the explanation that these are for stockpiling. In other words, I have no doubt that if we got into an emergency and someone asked where the weapons were for the force which would be raised to meet that emergency, the answer of the government would be, "Oh, don't worry; all is well. We have not the guns or the tanks, but we have plenty of ties and teapots."

That is the measure of the real sincerity of the answer given in regard to these huge orders which were placed before the house.

Mr. Mutch: And it is not a bad measure of the criticism, either.

Mr. Rowe: There is a pretty remark!

Mr. Drew: Yes, I should think that that remark measures in most exact terms the seriousness of the approach by members on the other side of the house to this extremely serious problem.

I wish now to deal with a subject brought before the house yesterday by the hon. member for Vancouver East (Mr. MacInnis)—and that brings me to the subamendment moved to the motion now before the house.

Mr. Dickey: At last.

Mr. Drew: I know I share the feeling of all members in the house when I express my pleasure that, once again, we have heard the hon. member for Vancouver East speaking with his customary vigour and in a resonant voice. I am inclined to think that most hon. members who consider these subjects seriously would agree with most of the statements made yesterday by the hon. member for Vancouver East when he was referring to the need for something being done to meet this situation. As to the way in which it is to be done there is disagreement—very sincere disagreement. There is disagreement as to the method which would best produce results.

It was pointed out yesterday that it has been emphasized over and over again that, living as we do in this very prosperous land, we are a fortunate people.

Mr. Dupuis: Good government.

Mr. Drew: And the remarks to which I have referred called to the attention of the house the fact that there are people throughout Canada who are in great need of assistance and support at this time. The need for some system that will assure to every Canadian adequate, prompt and efficient diagnostic, preventive, surgical and medical treatment should be the desire of every member in the house; and I hope it is. There are many people in this country today who are not getting early diagnosis of serious diseases, because of the fear of the expense of the services which might be needed in the event of an unfavourable diagnosis. That fear should be removed; and that fear is something that is in the minds of those who are really concerned about this subject—

Mr. Dupuis: Like you.

Mr. Drew: —even if it is not in the mind of the hon. member who keeps interrupting. Perhaps, with the sound system we now have in the house, those interruptions will not be on the record.

Mr. Dupuis: I said, "Like you".

Mr. Drew: Oh, there need be no attention paid to that comment. I suggest that most hon. members are interested in this subject; and even if one or two members do show a lack of concern for the needy people who are requiring medical treatment and assistance of this kind, that should not divert the attention of the remaining members in the house from the subject we have under consideration.

Mr. McIlraith: No one made any such interjection.

Mr. Mutch: You are getting some support, and you did not expect it.

Mr. Dupuis: I approve.

Mr. Drew: The subject is one which has been under consideration for a considerable number of years. I can certainly understand the exasperation expressed by some members who say that the time is long overdue for some effective method of dealing with this problem. The time is long overdue; and the full responsibility for that fact rests with this government.

This matter was brought forward for consideration at a dominion-provincial conference in August of 1945. Certain proposals were placed before the representatives of the dominion and provincial governments of that time. All governments agreed—I say all governments agreed—that a great deal of additional information was necessary in order to tackle this problem of health insurance. But, Mr. Speaker, every government there—and I repeat, "every government there"—approved of the principle of health insurance. There was never any doubt on that score. What the governments sought was an opportunity to lay the foundation for a plan which would work, with this essential, that the various governments as well as the health authorities might all be able to co-operate in some integrated program which would work effectively in tackling this great problem.

The hon. member for Vancouver East pointed out that he and other members of his party would support anything that would bring this matter to a head, and lay the foundation for some effective plan being put into effect. That, Mr. Speaker, is exactly the purpose of the amendment now before the house. We all know that in these amendments we cannot spell out in exact detail any program of this kind. Attention is drawn to it by suggesting the need for dealing with the subject under broad and general terms.

I hope therefore that the members of the party to which the hon. member for Vancouver East belongs will support our amendment when it comes to a vote. The hon. member went further and said that the situation is perfectly clear, and that he hopes legislation will be introduced at this session. He said—and I believe I am repeating his words correctly—that legislation of this kind is legislation by consent.

Mr. Speaker, if legislation of this kind is to be effective, the consent and agreement must be obtained in advance. If legislation of this kind is to do the job that we all want it to do, then it must be known in advance that the provincial governments and the municipalities will be able to carry it out.

There are a number of considerations which must be fully examined before it is possible to lay down any rigid form in a legislative measure that would carry out the wishes of those who do want health insurance put into effect. A few days ago the parliamentary assistant to the Minister of National Health and Welfare (Mr. McCusker) tabled copies of further reports which had been presented by the provinces. I do not intend to comment upon his wholly unnecessary remark about the fact that if I had had more time to read these I would not have made the remarks I did. I recognize that it is quite in the order of debates of this nature that there should be facetious and unconsidered remarks.

I know that the hon. member has reason to be aware that I was associated rather closely with some of these activities at the time that the preliminary discussions took place as to the way in which these reports would be prepared. I know what the reports contain. In fact I would even raise the question as to whether I might not know more about some of them than the parliamentary assistant to the minister. But the fact remains that there are some reports there which it would be well for hon. members to consider.

For instance, I have before me one of the volumes of the report made by the Ontario government on their health survey. There are equally interesting reports by nine of the ten provincial governments of this country dealing with a similar subject. With the reports that were tabled a few days ago from the provinces of Quebec, Alberta, Saskatchewan and Manitoba we now have reports from nine provinces. The province which has not tabled a report is the province of Newfoundland. I am sure that in the case of that province it is due to the fact that they have not been as long associated with the statistical services that have been established on an increasingly uniform basis by the different provinces, but I do feel sure that steps will be taken there to complete their report.

I would point out that on page 9 of chapter 3 of the third volume of the Ontario report on health there is reference to the various types of plans which are in effect for the purpose of providing some type of health insurance. Some extremely interesting figures are given which go to point out how far many people in this country are covered already by insurance of one kind or another. Just to show the complexity of this problem, may I point out the findings in this report in so far as Ontario is concerned. The people in the province of Ontario now have protection of

one kind and another in regard to hospital and medical services under the following plans:

Blue Cross plan for hospital care
Co-operative medical plans
Physicians' Services, Inc.
Associated Medical Services, Inc.
Windsor Medical Services Inc.
Hollinger employees medical services
Porcupine employees medical services
Ross & Young-Davidson Mines
Fraternal and mutual benefit associations
Accident and sickness insurance companies
Group contracts from life insurance companies
Workmen's compensation board
Industrial camps
Ontario department of welfare recipients

Under these combined forms of coverage there are 4,325,000 estimated coverages. Obviously there are duplications because the total population of Ontario is something like 4,700,000. I should like to read a paragraph at the top of page 5 of volume 3 which reads as follows:

> Nearly half (approximately 46 per cent) of this total comprised participants in nonprofit plans; another 21 per cent was made up of insurance with commercial companies; and the remainder was eligible for some form of provincial government assistance in the event of medical need. On the strength of these estimates, and making some allowance for duplication, one authority has hazarded that close to two-thirds of the total population of Ontario have some measure of protection against the financial loss attendant upon illness or accidental injury. It was, however, impossible to support this or any other guess with the facts available at the time of this survey.

May I repeat the last words:

> It was, however, impossible to support this or any other guess with the facts available at the time of this survey.

If hon. members will examine the reports which have been submitted by nine of the ten provinces they will find that although there is reference to different plans of this nature, as yet there is nothing but a guess as to the exact coverage of the various plans. Yet that is the key to the solution of this extremely difficult problem. Unless we are to embark on a plan of state insurance in which the whole medical service is taken over by the state under some uniform plan of coverage, that is the only alternative.

I do not think it should be necessary to emphasize the fact that nearly every member of this house has had occasion to be associated with hospital and medical services in one way or another. Most members, either as members of this house, as members of provincial legislatures, as members of municipal councils, as members of hospital boards or in some other capacity, have had contacts of this kind and know the mental agony of people who find themselves suddenly confronted with the possibility of serious and dangerous illness without knowing where to turn for the financial resources with which to meet the heavy expenses of the services required.

Fortunately the doctors and medical services of this country have gone a long way toward meeting this need. In fact I doubt if there is a single case that has been brought to the attention of doctors or nurses where treatment has not been given. In many cases the real trouble has been that people have been fearful of going to doctors or to hospitals because of their knowledge of the expense that might be incurred. Our objective therefore should be to find as soon as possible a plan which will ensure that in this most fortunate land of ours with its very great wealth there will not be a single Canadian who will be deprived of proper diagnostic, preventive, medical or surgical care which will meet their personal needs and at the same time maintain that person as a healthy member of our society. However we achieve that objective, I feel sure there can be agreement on that common purpose. I do not question the sincerity of those who seek to attain this objective by different methods. I do not question the sincerity of those who say: "Let us go ahead, never mind about technicalities, let us have legislation."

Unfortunately, Mr. Speaker, there are constitutional requirements, and this present government is of course fully conscious of that fact, because they asserted the constitutional position in upsetting a number of social services provided by the Conservative government before the Liberals came into power in 1935. That of course was their right, and it is also one reason why they should respect the views of those who have some concern about the very constitution that they put forward as a reason for not carrying forward social services introduced by the Conservative government of those days.

An hon. Member: Oh, oh.

Mr. Drew: Of course the kind of laughter that I hear on the other side bespeaks an empty mind.

Mr. Graydon: You may benefit by health insurance over there.

Mr. Drew: Those members who have followed the history of this parliament are well aware of the facts to which I am referring. I repeat that it was certainly the right of this government to carry constitutional appeals against those social services which sometime later they did introduce. It was their right. What I am pointing out is that, in view of the fact that this government has asserted the importance of the constitution, we should not get into a snarl by going ahead without full regard to the position this

government is likely to take at any time if it suits their convenience. So far as this situation is concerned, there is another reason why the constitutional position should not be disregarded. The provinces of this country under our—

An hon. Member: Oh, oh.

Mr. Drew: I hear "Oh, oh" from the same intelligent source. I hear "Oh, oh" from a member who obviously does not think that the provinces should have any rights at all. As a matter of fact the "Oh, oh" that was interjected from across the aisle represents the attitude of the government toward the authority of our provinces under the constitution. Let no one be in any doubt about that fact.

An hon. Member: Very comical.

Mr. Howe: Get on with the speech.

Mr. Drew: There has been no uncertainty at any time in the determination of the government to grab power by concentrating the tax resources more and more in their hands.

An hon. Member: You are just wasting time.

Mr. Dickey: The branch offices.

Mr. Hodgson: They will say "Oh, oh" after the next election.

Mr. Howe: You are entering on the third hour now.

Mr. Stuart (Charlotte): The branch offices.

Mr. Drew: The interjections being made at this time are interjections which I hope will thoroughly impress, upon those who still believe that this is a federal system and that the federal system should be respected, the very noticeable fact that the government is impatient even with the discussion of provincial rights under the constitution which should guide the combined governmental activities of this country.

Mr. Howe: We have accepted the first two hours. The third hour is more difficult.

Mr. Drew: If anyone were to pay attention to the amount of time that the minister who has just interjected spends in announcing government policies outside the house, then no speech ever made here could possibly be regarded as a long speech. The fact is that the minister in question does not even believe in parliament, let alone the constitution. He believes in announcing government policy in New York, in Detroit, in any place except here in parliament.

Mr. Hodgson: And "Howe"!

An hon. Member: Don't lose your temper.

Mr. Dickey: Don't lose your place.

Mr. Drew: This subject is one which has been under consideration for some considerable time, and the very fact that it has is a reason why we should now be perfectly sure where we are headed in dealing with this most important question. It was fully under discussion at the time that the dominion and provincial governments met in 1945. It will be remembered by those who attended that conference that the dominion government put forward certain health proposals, but they proposed a special tax for those measures and so far we have not yet had any clear statement of the alternative. I can remember what I said on behalf of the province of Ontario as recorded in the record of the discussions at page 236. I said:

> The dominion government proposes that the provinces finance their share of the cost of health insurance by "a registration fee to be paid by or on behalf of every person who has attained his sixteenth birthday and whose normal place of residence is in the province or area where benefits are provided . . . " But anyone who has had experience with the collection of a poll tax will understand the difficulty of collecting a registration fee which is not related to earning capacity, or whether the registrant is employed, an old age pensioner, or a student without personal earning power.
>
> The dominion minister of health and welfare, as well as certain dominion officials, have also stated that the dominion government intends to finance its share of the cost of health insurance or old age pensions by a social security tax levied on all incomes, without exemption. While the amount to be levied in this way was not definitely stated, nor was this special tax in fact mentioned in the printed "Proposals", the figure which has been mentioned in discussion is 5 per cent. This would be in addition to present income taxes and the registration fee or poll tax to be levied by the provinces. This would mean that if the provinces relinquished their personal income and corporation taxes and succession duties, the tax field left to them would be further crowded and confused by the dominion government introducing its special income levy.

That point was made at that time, and ever since has been before the members who attended that conference. Therefore I would recall this to those who now say, "Let us go ahead with the 1945 proposals". Before we go ahead with the 1945 proposals, we must know how they will operate. We must know how they are to be financed and we must know whether the provinces and the municipalities are able to carry out their share. At the moment that information is simply not available.

So far as the subject of health insurance is concerned, there were statements over and over again that there was agreement in principle and that the necessary course was to find out the way that it was to be done. The whole problem is one which necessarily brings

the municipalities, hospital boards and provincial governments into the question. I should like to read the closing paragraphs of a very thoughtful and thought-provoking article in the October issue of the *McGill Medical Journal* by Dr. R. P. Vivian, Strathcona professor and chairman of the department of health and social medicine at McGill university. After examining this whole question of the problem of the costs of medical care and the various ways in which this service can be assured to everyone, Dr. Vivian closes his article with these words:

> There can be no real solution to the complex problem of costs of medical care until the matter is approached jointly by representatives with authority from the professions, hospital boards and governments. Compulsory health insurance does not provide the solution to the matters represented here. The amount of money required would raise the present level of taxes significantly with no assurance of adequate control or acceptable service. It is doubted if the public would appreciate another increase in the tax load.
>
> It would seem that the responsibility for initiating a full exploration of the problem lies with the dominion government. To achieve an improvement in the method of meeting costs of medical care it will require the full co-operation of the professions and the hospitals and the general public. It is hoped that this may occur in the reasonably near future so that the problem may be simplified if not solved.

Mr. Speaker, that statement by an eminent doctor, whose services have been sought by the governments of a number of other countries to consider this very subject, puts its finger right on the problem before us, as do the medical reports which were tabled in the house by the Department of National Health and Welfare. Those reports make it perfectly clear that it is not yet possible for any arbitrary plan to be laid down and that it would, in fact, set back the whole course of improved medical service in this country if a rigid pattern were established by legislation before there was agreement about how provincial authorities, municipal councils, boards of health and other official organizations would play their part in carrying it into effect.

I can understand the sense of urgency in the minds of those who call for action of some kind no matter what the constitutional provisions may be. I can understand the sense of urgency with which that demand is made by those who have themselves felt the full impact of the present cost of treatment of this kind. I think every hon. member in this house shares the desire to provide a system which will assure every Canadian of the very highest level of diagnostic, preventative, medical and surgical treatment, as well as hospital and other curative treatment that may go with it.

Mr. Speaker, let us not, however, disregard the position of the provinces. Let us not for a moment disregard the fact that it would be impossible to carry this plan out until there is an over-all agreement on the financial position of the provinces. One province as yet has not signed an agreement in regard to taxation. That province has a perfect right to take the position it has taken. The province of Quebec, in its judgment, has decided that it will not sign the agreement that has been offered. How can any plan be put forward while that situation exists? But, Mr. Speaker, I hope no hon. member will suggest that it is the province of Quebec which is preventing this being carried out. No other province can carry it out under the agreement which now exists. It is not the province of Quebec that is holding this up in any way, and do not let anyone suggest it.

The provinces that have signed have made agreements which provide them with certain financial resources to meet present demands. At the time Ontario recently signed an agreement, the prime minister of Ontario made it perfectly clear that this was only a stopgap arrangement and that it did not meet their present requirements. The premier of Nova Scotia has made the same statement, and so have the premiers of other provinces.

It is perfectly clear, therefore, that the provinces are not in a position to carry out their part in any plan of this kind which might be imposed upon them by legislation. Also it is perfectly clear, and it was made abundantly clear by the mayors who met here in Ottawa last week, that the municipalities cannot carry any added burden. In fact they find it difficult to carry their present burdens without some arrangements being made so they will have still further resources. It is the municipalities that must accept the major share of responsibility for administration in any plan of this kind. You cannot ask them to accept that responsibility under existing arrangements.

It was for that reason, Mr. Speaker, that we introduced the amendment we did, expressing our regret that the government has failed—

> (d) To conduct inquiries in consultation with the provincial governments, so that necessary information may be available for the dominion and provincial governments to consider jointly a national health insurance program.

For the very reasons I have pointed out—the statements that have been made in reports of the provincial governments, the statements that have been made by the dominion government itself at the time these subjects were

under consideration—I submit that the first requirement is discussion between the dominion and provincial governments in consultation with the municipal councils and the recognized representatives of the medical profession and the hospital boards across this country.

To those who express urgency in meeting this need may I say that we have reiterated over and over again our request that this government act to initiate steps that will bring into effect a health insurance program that will fully recognize the various services that are now available in various forms across this country. That has been our request and it is our request now. We present that request with the utmost urgency. We do so, however, with emphasis on the fact that any short cuts, any by-passing of the constitution, will only confuse the whole issue and further delay the time when Canadians who need assistance of this nature will get the assistance to which they are entitled.

Some hon. Members: Hear, hear.

Mr. Drew: Mr. Speaker, for these reasons, and because the amendment to the amendment seeks to convey the impression that this government can act without consultation of this nature, without in any way questioning the sincerity of their motive or the objective which they seek to attain it is not our purpose to support the subamendment. May I express the hope, in view of the words of the hon. member for Vancouver East (Mr. MacInnis) yesterday, that when the main amendment comes up they will support it as an expression to this government, which has been holding up these dominion-provincial conferences, that we do want action; that we do want a health insurance program that will be worked out with the provinces and that will give the people of this country who need health services of this kind the very kind of services that a country of this kind should offer.

Mr. C. E. Johnston (Bow River): Before the vote on the subamendment is taken I too wish to say a few words regarding health insurance. However, I have one or two other things which I first wish to put before the house.

I noticed that when the Prime Minister (Mr. St. Laurent) was speaking in the house the other day, particularly in reply to the Leader of the Opposition (Mr. Drew), he laid great stress on the progress which has been made in Canada during the last number of years. He pointed out that the prosperity of Canada had reached an all-time height; that the national product of this country had reached something like $22 billion; but at the same time, and this was somewhat significant, 10 per cent of our national product had to go for defence. Let me state immediately that Social Credit policy has never been niggardly in respect to the money which was required for national defence. If you go back even to 1935, when we first came into this house, I believe the record will show that we have been among those who were always advocating that there was nothing too good for our servicemen, particularly those men who were facing the enemy over in Korea or anywhere else. We believed that they should have the best of equipment, the best of clothing and the best of everything it was possible to give them.

We join with others in that regard; and we want to indicate also that we are proud of the fact that Canada has prospered as it has. We must not be confused, however; and this is the point that was raised by the Minister of Mines and Technical Surveys (Mr. Prudham) the other day, when he stated that this prosperity was in great part the result of the efforts of the federal government. Of course I dealt with that once before in this house, and I do not intend to reiterate what I said on that occasion. I was impressed with a magazine which I received yesterday, and which is published in Alberta. It is entitled *Within our Borders*. I should like to give a quotation from the issue of December 1, 1952, as an indication of the progress that has been made through other efforts than those of the federal government. The heading on this article is "Alberta industrial employment doubles in 13 years". It reads:

> Alberta's manufacturing industry is estimated to have a gross value of production of $510 million this year. This compares to a gross production value of $87 million in 1939.

You will note that it was in the fall of 1935 that the Social Credit government took over the reins in Alberta. You will notice also the tremendous results since then.

> Between 1939 and 1952, employment in Alberta's manufacturing industry has increased from 13,000 to 29,000 while the number of establishments has grown from 1,000 to 1,900. More than 11 per cent of Alberta's labour force is employed in the manufacturing industry while 25 per cent are employed in other industries. Agriculture absorbs 38 per cent of the working force and other primary industries 9 per cent.
>
> New investment in Alberta's manufacturing industries has soared since 1947. In this year, new investment amounted to $10,700,000; in 1950, $16 million; in 1951, $24,400,000 and 1952 will see an estimated $77,400,000 invested in industry. Investment in manufacturing has increased 623 per cent from 1947 to 1952 or 390 per cent when allowances are made to offset inflationary values. Profits of Alberta companies increased slightly more than 100 per cent between 1946 and 1950.

That will give hon. members some indication of the progress that can be made in this country under proper provincial supervision.

The big trouble is that at the same time there has been an increase in municipal debt. Let me give you an example. The mayor of Calgary, one of those municipalities that has gone head over heels in debt, was the Liberal candidate in the last federal election. There you have a good example of the policy of Liberal administration. If you want to correct these evils, and correct them quickly, the only answer is to get rid of those Liberals and get a Social Credit regime. Then you will find, as I have indicated, that you will have prosperity.

A moment ago I mentioned that the Prime Minister had indicated that 10 per cent of our national product had to go for defence. In other words, the budget amounted to something over $4 billion and about half of that goes to national defence. This gives us the basis for the belief that it is the national defence spending which is maintaining prosperity in Canada today. It gives a stimulus to business which would not otherwise be there. It is a sad state of affairs, Mr. Speaker, when the prosperity of our country must be dependent upon preparation for war. If you removed that factor from our economy today you would find we would be facing another depression.

One of the signs which indicate that times are not as good as they might be, when you consider our national product is as high as it is—and this was indicated the other day by the member for Acadia (Mr. Quelch)—is the fact that so many people in Canada are now forced to buy on credit. It is quite evident that if the people of this country had sufficient purchasing power they would not be using their credit to buy these things which are necessary. You only have to pick up a newspaper to see that refrigerators and washing machines are advertised at greatly reduced prices. If you go to a store to buy a washing machine they will give you $75 or $100 for your old machine without even looking at it. They are trying to force people who have not the money to buy these things into credit buying. Conditions would be a great deal worse if it were not for the fact that we are spending $2 billion and more each year for war production, and this money is spread out among the people so they have that amount available as purchasing power to buy consumer goods. Otherwise we would be in a very poor position.

It is tragic when one realizes that we have to depend on this type of an economy in order to maintain any sign of prosperity. This morning I was in the railway committee room and heard Mr. Dymond speak at the meeting of the advisory council on labour. He made some outstanding statements about the subject I was discussing. Mr. Dymond told us, and I took a note of it, that defence is the underlying support of our economy. It struck me as rather important, because that was the thing I intended to deal with this afternoon. This statement was made by one of the government officials in the Department of Labour, that the underlying support of our economy is our defence effort.

What would happen if our war effort were to fold up? What would happen if peace were declared in this world? I am not suggesting for a moment that everyone would not be very happy to have that happen, but what would be the disastrous results to our economy? Mr. Dymond went on to point out that one of the reasons for fuller employment was that the war industries had now reached the point where they were going into quantity production. Even despite that fact, in the figures which were tabled at that meeting this morning it was pointed out that although we have what is generally called a period of high employment, nevertheless there are over 100,000 employable unemployed who cannot find jobs. That is the situation in a period of our peak prosperity.

Those are some of the warnings, Mr. Speaker, which we must take into consideration. There are, as well, other warnings to show that in our economy all is not quite as well as it could be. The other day I was looking through some of the clippings I had in my desk, and I found one from the Calgary *Herald* of Thursday, October 9, 1952. It is entitled "Production up During July". It is a reprint from Ottawa, Canadian Press, and reads as follows:

> The pace of production and business quickened during July, spurred by higher wholesale and retail sales and by heavier output of some metals, electric power, newsprint and automobiles.
>
> As a result, the industrial production index, based on 1935-39 equals 100, increased to 210·8 in July over 208·0 a year ago, the bureau of statistics reported Tuesday. However, for the first seven months this year, production was down about 1·6 per cent from output in the same period in 1951.
>
> The pace of the decline was cut from 2·8 per cent in the first quarter to 9·7 per cent in the second. A drop in manufacturing was the main cause of the slip.
>
> During July, however, gold production increased to 375,000 fine ounces from 344,000 in July, last year; steel climbed to 293,000 tons from 275,000; newsprint, 486,000 tons from 452,000.

The point I should like you to note, Mr. Speaker, is this. Had it not been for the increase in the production of gold, steel and newsprint, that index would have fallen to a greater extent than it did; and the place where the greatest downward trend was shown was in the manufacturing industry. That fact shows quite clearly that our manufacturing industries are not in what one would call a healthy condition; and when

you find that we have something like 100,000 employable unemployed, then the situation needs some looking into.

In this house on many occasions we have heard from members who have indicated a falling off in the production of industries within their constituencies. The one who comes to my mind at the moment is the hon. member for Lanark (Mr. Blair) who this year was talking about the way the production of the woollen mills in his constituency had fallen off. These are some of the things we must keep in mind. There are as well other indications that we must watch if we are to have a prosperous Canada. Agriculture is one industry which is in need of some attention. In Canada agriculture has been the basic industry ever since the country first came into existence.

An hon. Member: It always will be.

Mr. Johnston: Today we find that those engaged in agriculture are becoming greatly concerned as to how they are going to be able to market their products and yet be able to show a decent profit. It is true that last year the agricultural industry had a fairly good crop but it was of poor grade. Low grades and damp grain made marketing difficult. The wheat board did an excellent job in that respect. This year—that is 1952—we have had another good crop, but we have also had difficulties in marketing it. Some of the farmers are finding themselves in need of cash because the delivery quotas are so low.

Agriculture is one industry which must have the greatest amount of attention paid to it lest it too begin to slip back as it did during the hungry thirties. The farmers are conscious of this fact. When they find that the support price of hogs will drop from 26 cents to 23 cents, it causes them a great deal of concern. When they find that their markets for beef have been lost, that fact also gives them a great deal of concern. It is true that the foot-and-mouth disease had something to do with that situation. However, that embargo will be lifted on March 1 and it is to be hoped there will be some relief in that regard. Nevertheless we will still find difficulty in marketing our beef products.

The farmer also finds that he is suffering a loss on the sale of eggs. The same thing is true with regard to dairy products. We cannot have a healthy agricultural industry if we are going to allow prices to drop to the point where farmers cannot make a profit on the things they produce. Particularly is that true, Mr. Speaker, when we understand that the things which the farmers have to buy are continually rising in price. Even the interest rates are going up on the money which they must borrow in order to carry on their seasonal operations. The price of farm machinery is soaring ever upward. The industries which produce the secondary goods are in such a position that they can control their production in order to maintain prices. But as the hon. member for Acadia (Mr. Quelch) pointed out the other day, what position would this country be in and what position would the world be in if the farmers throughout the nations decided to curtail production in order to maintain prices?

There is throughout Canada a good deal of concern over this problem. Some of the leading papers are taking note of it. The other day I cut out an article which appeared in the Ottawa *Journal* of Thursday, December 4. It is an editorial which is headed "The Farmers' Case" and it reads as follows:

> Forecasts read at the dominion-provincial agricultural conference in Ottawa indicated that the Canadian farmer faces the 1953 prospect of reduced returns for his products with an increase in the cost of services and supplies he has to buy.
>
> This should extinguish for good the suggestion that all farmers are making easy fortunes, although it may be true that the prairie wheat growers, with a record crop and solid prices, have an unusual degree of prosperity.
>
> Delegates who heard the forecasts prepared by government economists make it plain they considered them over-optimistic. The root of the problem they face is found in uncertainty about markets, the United States' embargoes or quotas on dairy imports, and the United Kingdom inability to maintain her traditional purchases of such items as Canadian cheese being two important factors.
>
> In this situation the farmer must look to the dominion government, the central authority in a position to assist in negotiating better trade arrangements and fighting currency difficulties which hamper exports of surpluses.
>
> The farmer with surpluses piling on his farm at a time when millions need more food will feel betrayed if Ottawa fails in the vigorous and effective action they have the right to expect.

When you have a forecast of lower agricultural prices and loss of markets coming from government authorities, Mr. Speaker, it is even more significant that it otherwise would be. In the Ottawa *Journal* of Monday, December 1, while the dominion-provincial conference was sitting here in Ottawa, there appeared an article headed "Farm Incomes Likely Down Next Year. Federal-Provincial Conference Looks to '53 Program", which reads in part as follows:

> Dominion government economists today told the dominion-provincial agricultural conference that farm incomes probably will be somewhat lower in 1953 although the demand for food products will continue high.

Then Mr. C. V. Parker director of the agricultural division, dominion bureau of statistics, said:

> Present prospects gave little indication of a major change in 1953 from the generally prosperous conditions of 1952 in the domestic field.
>
> Export prospects were more uncertain. Due largely to exchange difficulties, sales to some overseas countries were not likely to be maintained at the high levels of 1952.

The exchange difficulties are something for which the federal government is directly responsible. Then Mr. Parker goes on in this way:

> Farm net income in 1953 also was expected to be somewhat lower, being calculated by adding income in kind to cash income, deducting farm expenses and depreciation, and adding or subtracting the value of changes in physical inventories of livestock and grains held on farms at the end of the year.
>
> There appeared little prospect of any significant change in total farm operating expenses in 1953, while taxes and interest rates might average higher.

The indication is clear that unless we have some change in the agricultural policy of this country we will be heading for difficulty, bearing in mind always that the greatest factor bolstering our so-called present prosperity is our defence effort. Each one of us hopes, of course, that the defence effort soon will not be needed. But in what condition will our economy be when that comes about?

The government has some responsibility in the matter. It is about to negotiate a new international wheat agreement. The farm unions in the three prairie provinces are asking that a change be made in the price. In some instances they are asking a ceiling of $2.35 with a floor of $1.85. Some organizations in the United States are asking for a price of $2.50. I am not going to suggest what the price should be, but I will say without hesitation that the price set in the international wheat agreement should be considerably higher than it is today. I know the Minister of Trade and Commerce (Mr. Howe) will be the one responsible for negotiating the agreement. He has said on other occasions that he will be a little tough to deal with; I hope that is true. He is a tough trader, and it is hoped that when the government negotiates the new agreement there will be a considerable increase in price, both in the ceiling and in the floor.

One factor which has been of great benefit to agriculture in the last few years is the fact that we have had a wheat board. But the wheat board is being attacked from every angle. I am sure I speak for the farmers of western Canada when I say that they do not want to do away with the board. They want to have orderly marketing of the products they have to offer. We know only too well, through past experience, that the farmers of western Canada particularly have had to sell their grain when prices were at the lowest. That was entirely due to the fact that they were at the mercy of the grain exchange. All the notes the farmer had given during the year to finance his operations became due immediately after threshing. That was usually the period when prices were low. The grain exchange was able to buy that grain at greatly reduced prices, and made a handsome profit on it. So those people who are lamenting over their loss of revenue because the grain exchange has, to a great extent, been put out of operation, are doing everything within their power to see that the grain exchange comes back into force, and that the wheat board is done away with.

I was interested the other day in reading an article in the Manitoba *Co-operator* which, it seemed to me, summed up the situation pretty well. Under the heading "Averages", it states:

> Stanley Jones, president of the Winnipeg grain exchange, says that the final wheat board payment averaging about 25 cents a bushel on deliveries from the 1951 crop was below the market average. That payment brought the price of wheat to $1.83⅓ basis No. 1 Northern at the terminal.
>
> Mr. Jones had the same remark to make about wheat board payment on barley.
>
> The vice-president of the grain exchange said the same thing about the wheat board payment on oats.
>
> The monotony of this performance might be relieved if a little variety was interjected therein. A well-trained parrot could do the job that is being done equally as well.
>
> Mr. Jones never stops to explain that the average prices he quotes do not take into account storage charges, costs of conditioning tough and damp grain, interest on borrowed money and other expenses.
>
> He does not calculate deliveries on prices prevalent during heavy delivery periods, thus presenting a true picture.
>
> All his efforts are directed to discrediting the wheat board which, as every farmer knows, made a real achievement in marketing the badly damaged 1951 crop.
>
> A comparison might be made with the performance of the open market when it was operating freely in the 1930's. In the six years from 1930 to 1935 inclusive the average price of wheat at the terminal under an unrestricted open market was 69 cents a bushel.
>
> In 1932 Alberta farmers marketed a big crop of good quality and obtained therefrom the average price of 32 cents a bushel. They lost money on every bushel they produced.

I think that article sums up the situation so far as the grain exchange is concerned. I need not add anything further. But let no one think that the farmers of western Canada want to do away with the wheat board.

I should like to say a few words about old age pensions, and pensions for incurables. These are classes of people who require our

attention. There can be no doubt in my mind that almost every member in the house —and I use the word "almost" advisedly— would be in favour of increasing old age pensions, if it were put to an open and free vote in the house. I think the basis for determining an increased pension should not necessarily be, "Have we the money to increase the pension?" but rather, "Can we produce it? Have we the goods and services to provide increased pensions, without interfering in any way with the prosperity and progress of the country?"

I am sure the answer is that we can well afford to increase pensions. When we consider that our national product is in the neighbourhood of $22 billion, when we sit here and listen to the Prime Minister speak about the prosperity of Canada, and when we listen to hon. members speak about the great future of Canada, we should not hesitate to give increased pensions to those in need. Not only have we the actual production, but we have a great potential production.

This past season we had the largest crop of the very finest wheat in the history of Canada. Who will dare say that under those circumstances we cannot give our old age pensioners another loaf of bread? Who will dare say that with proper marketing conditions and proper inducements to agriculture we cannot give our old age pensioners or our incurables another pound of bacon, another dozen of eggs or another pound of butter? Surely there is no one in his right senses who will say that we cannot afford to raise old age pensions. Yet the lamentable fact is that the pensions are not being raised.

I know it will be said they were raised to $40 a month without the means test, which is something worth while, but it must be understood that today people cannot live on $40 a month any better than during the period of the depression they could live on $20 a month. You will therefore see the need of some further increases.

I received a letter from an old age pensioners' association which I think I should place on *Hansard*. It is from the Alberta old age pensioners' society, Calgary branch, and is addressed to me as the member of parliament for the constituency of Bow River, and I want to recognize this letter. This letter reads:

Dear Mr. Johnston:

May we draw your kind attention to the following points and requests?

In 1940 when this branch was first formed our older citizens of seventy were endeavouring to "exist" on twenty dollars basic pension monthly. Since then we have repeatedly appealed to parliament to raise this pension to fifty dollars. This amount perhaps in the past might have been enough to "exist" on. In the past twelve years the basic pension has been raised step by step to forty dollars so that we have not even yet reached our past requested goal of fifty. With the present high cost of living, especially rentals, the present amount of forty dollars is only in the same proportion as the first twenty in 1940.

Knowing that our "really needy" citizens (those with no other assets) are still only "existing" on the present forty dollars and so still in a state of "semi-starvation," we wish to urgently request our representatives in parliament to seriously consider an "adequate" basic pension so that our "really needy" can, in the evening of their lives, have at least something more than the present "semi-starvation". Living conditions of these older citizens have never actually been improved, and they being the builders of this wonderful country should have first and the most serious consideration.

We also request a lowering of the age to sixty to cover those who, for many reasons, cannot earn their own living. Our "really needy" should have first consideration and an "adequate" pension to live on.

May we here state, that we were disappointed when a ceiling of sixty dollars was placed on all applicants over seventy for pension, or a two per cent on the income up to three thousand dollars, and so only penalizing the moderate or lower income earner. We, therefore, request that a sliding schedule of income tax on all incomes be given your immediate attention for obvious reasons. We respectfully submit that our citizens in more fortunate circumstances should be taxed more than those with moderate income, if there is to be any tax whatever.

May we ask if we could have your personal views on this serious state of affairs, and which we hope will be favourable and thank you in anticipation of your kind help.

An hon. Member: Why do you not give them the basic dividend?

Mr. Johnston: They are asking for it in British Columbia and the people are paying some attention to that. The health services which are given to old age pensioners in Alberta over and above what is provided by the federal government are becoming most attractive to people not only in British Columbia but in other parts of the world.

This brings me to the last point I want to speak about, a national health service. The subamendment deals with that. My leader has already stated in the house that the Social Credit movement in Canada favours the earliest possible introduction of a national health insurance program, and he set out in some detail the kind of program we favour. I shall not repeat what he said on Monday, November 24, but those who wish to find out what that policy is may turn to *Hansard* of that date.

On behalf of the Social Credit group here I want to say that we do not favour a socialistic type of state medicine as advocated by some socialists. However, the C.C.F. amendment as worded does not call for state medicine, nor indeed for a socialistic type of national health insurance. Therefore we

find that our kind of national health insurance can come within the terms of the sub-amendment as worded, and consequently we shall vote for it.

Mr. W. Ross Thatcher (Moose Jaw): Mr. Speaker, this debate has become so dead that I do not suppose I can make it any more so. In any event, I should like to speak for about ten minutes on one specific subject, the level of taxation in Canada. I am going to contend today, as I have over the past year, that federal taxes are now at the danger point. I believe that the national interest requires a sharp reduction, and I should like to make such a proposal to parliament at this time.

As hon. members know, our expenditures in 1952 are going to exceed $4,500 million, which is about ten times what they were in 1939. I would remind hon. members that even in the crucial years of world war II, in 1940, 1941, 1942 and 1943, when we were fighting for our very life as a nation, our budgets did not exceed the figure of the current budget. On only one occasion since confederation have federal taxes been so high. Most Canadians are paying more money out in taxes today, than for food. To my mind that is a dangerous situation.

It is small wonder that a great many citizens are becoming increasingly restive under the high level of taxation. Like other Canadians I am not going to take exception to taxes raised, first, for essential government expenditures; second, for social welfare programs which are provided by this parliament, or, third, for national defence. But like most Canadians I am becoming thoroughly fed up with the government policy of overtaxation, on the one hand, and its failure to eliminate waste and extravagance, on the other.

During the debate the Prime Minister (Mr. St. Laurent) told us that in his opinion there had not been much overtaxation. What are the facts? The first fiscal year under the present Minister of Finance (Mr. Abbott) commenced on April 1, 1947. The period from that date to October 31 of this year represents 2,131 days. During that time the Liberal government has taken from the pockets of the Canadian taxpayer $2,150 million more than they have been able to spend. In other words, since the present Minister of Finance took office there has been overtaxation each and every day, including Sundays and holidays, of more than $1 million. Yet the Prime Minister blandly tells us that in his opinion there has not been overtaxation. I suggest that the figures speak for themselves.

It is rather interesting to note that during the same period United States investments in Canada in our iron ore, our oil, our aluminum and other fields have been roughly $2,000 million. I think it is reasonable to suggest that if the Canadian tax rate had not been so harsh, Canadians might have financed a greater share of our post-war investment program.

The huge surpluses we have had in recent years have not been effected by economy; rather they have been accomplished despite a substantial amount of extravagance in government spending. Several years ago the Minister of Finance, his parliamentary assistant at that time, and others gave us the assurance that non-defence expenditures were going to be curtailed and rigidly restricted. As a matter of fact I think some minister said some would be deferred in the interests of the defence effort. Apparently that promise has been forgotten, because Canada's non-defence expenditures this year are almost triple what they were at the end of the war. Spending is going on unabated, and the expenditures of almost every non-defence department are up substantially.

I have here a summary of departmental expenditures for the first seven months of the current fiscal year compared with the same period in 1951. From April 1 to October 31 of this year every single department of government but one has had substantially increased expenditures. The only one which has not is the department of the Minister of Trade and Commerce (Mr. Howe). Of course the reason for that apparent exception is that there was a census last year conducted by the bureau of statistics, and there is no expenditure for a census this year. In the seven months period I have mentioned, non-defence expenditures have gone up, compared with the same seven months last year, by $231 million. If there is any evidence of economy there I wish someone would tell me where it is.

I am going to say that the so-called economy drive announced by the minister several years ago is a complete failure. I think it was a political farce from the beginning. The Minister of Finance has discounted and disparaged suggestions that have been made for economies. He does not seem to be very much interested in the subject. I can tell him and parliament that the people of the country generally are bewildered and concerned over the attitude the Minister of Finance is taking in this regard. Since I came here I have tried to figure out why the government does not seem to be particularly interested in savings. Some hon. members may laugh, but I think one of the reasons is that there are not enough businessmen here in Ottawa.

Parliament is running a $4½ billion business, the biggest business anywhere in the nation, yet we are following practices and methods that would cause any corporation to go bankrupt if it were to do likewise. Take, for example, the fantastic duplication of effort right in this very building. We have two post offices, two or three police forces, two messenger staffs, two journals branches, two stenographic staffs, two treasury offices and so on all down the line. What business corporation in Canada would not remedy such a situation, particularly if the duplication were pointed out to it?

The taxpayer of Canada is the man who today is being taxed for waste of that kind. I think the composition of the cabinet is rather interesting. I looked through the Canadian Parliamentary Guide the other day and I find that of the twenty cabinet members, fourteen are lawyers, three are engineers, one is classed as a farmer, one is a doctor and one is a businessman. I think the professions represented are all excellent, but I cannot help wondering whether, if we had a few more businessmen and perhaps a coal miner and a few farmers thrown in here and there, we would not start to get the kind of government which would be interested in economy in order to bring down the tax rate. I think such a reform should be considered by the Prime Minister the next time he shuffles the membership of his cabinet.

I say that high taxes are lowering our standard of living and discouraging initiative generally. The amazing feature of the present situation is that the Minister of Finance quite nonchalantly and quite freely admits that taxes are too high. He made a series of tours during the past summer during which he spoke on taxation. I am only going to quote a sentence from one speech he made. On that occasion he was speaking in London, and the Canadian Press quotes him as follows:

> I agree with almost everybody that tax rates are uncomfortably high and that we ought to follow tax policies which will lead towards lower rates.

That statement is very clear. The minister acknowledges that taxes are too high; yet, despite repeated representations by individuals and business concerns, despite unprecedented surpluses, the minister has done nothing so far to reduce taxation. Why? We can only assume because he is waiting for an election year. The Minister of Finance has told Canadians up and down the country that they can expect tax relief if and when they increase production and efficiency. I want to tell the minister and this parliament that high taxes in Canada today are doing more than any other single thing to lower production and efficiency. Because of high taxes there is a tendency in Canada today for individuals and corporations to become tax conscious rather than efficiency conscious.

I know of married women working at part-time employment who have quit their jobs when their income reached a certain point, because they did not want to be in a higher income tax category. There are many working people who are not interested in overtime work because so much of the additional pay goes to the tax collector. Every hon. member, those from western Canada at least, knows of farmers who have gone out of the production of hogs or livestock or poultry. Why? Because, as they put it, why should they work fourteen hours a day for Mr. Abbott? There are in Canada today business firms, corporations, which seek methods of spending profits on unnecessary advertising, donations, extra equipment or repairs, rather than be bled white by the Department of National Revenue.

I say that today there is growing hesitancy on the part of business firms to expand. If the new project is successful, the Minister of Finance takes most of the profits; but if, on the other hand, the project is a failure then the financial stability of the whole organization is jeopardized.

Mr. Sinclair: Have you expanded at all in the last five years?

Mr. Thatcher: I will come to you in a moment.

Mr. Sinclair: Have you expanded at all in the last five years?

Mr. Thatcher: If I have, it has been despite the tax policies of the Liberal government, not on account of them.

Mr. Sinclair: But have you?

Mr. Thatcher: In other words, Canada today is rapidly approaching the point where it is dumb to be thrifty. In a country where it takes about $6,000 in capital investment to create every new job, I think that is a dangerous point at which to arrive. I agree with the Minister of Finance when he says that increased production is needed in the country. It is needed to sustain our defence effort, it is needed to expand our program of social welfare, but I would tell him that there is nothing which is impeding greater production in Canada so much as his own policy of excessive taxation.

I believe that federal expenditures can and must be cut. I think one of the first steps needed to achieve this purpose is for the house to provide members with a greater

opportunity to scrutinize proposed expenditures. Toward that end, I think that in the first place the estimates should be brought down at the beginning of the session and not half way through. The estimates having been brought down, I think they should not be referred to the committee of the whole because hon. members of the House of Commons, sitting as a large, unwieldy, and hurried committee, cannot obtain satisfaction in a committee of that kind. If the estimates were referred to special estimates committees, where responsible officials and departmental heads could be questioned orally, I think a good deal more satisfaction could be obtained. I believe members would then have a better chance to discover examples of extravagance than they have at the present time.

I should like to suggest several tax cuts to the Minister of Finance for his next budget. In the first place, there should be a 2 per cent cut in the general sales tax. This is the simplest and most effective way of relieving persons with low incomes. I think such a cut would reduce his revenue in the coming year by approximately $140 million. In the second place I think there should be a reduction in personal income tax of at least 10 per cent, and the greatest share of the relief should go to those in the lower income groups. I believe such a tax cut would reduce revenue by about $130 million. In the third place I believe the government should thoroughly review the level of corporation taxes. I remind the house that much of the revenue needed to finance social service programs must come from Canadian industry. It is essential that the rates of taxation should not be so high as to impede industrial expansion.

I think that in the next budget the minister should decrease over-all taxes by at least $375 million. Such cuts are feasible and sensible; because the tax experts tell us that in 1953 our national product will increase by at least 4 per cent. If that is so, the extra tax revenue should be at least $250 million, on top of the current surplus.

I say the Canadian people are becoming tired and very impatient over unnecessary high taxation. If the Liberal government fails to bring them tax relief—particularly those in the lower income brackets—it will be swept out of office at the next election just as decisively as were the Democrats in the United States.

Hon. James Sinclair (Minister of Fisheries): Mr. Speaker, I would be very happy to reply in a few words to this ten-minute speech on the subject of taxation, not that I am any longer connected with the finance department but merely to answer the remarks made by the hon. member for Moose Jaw (Mr. Thatcher). Many hon. members will remember that most of what he said was incorporated in his now famous taxation speech of a year ago.

I would like particularly to comment on the figures he gave when speaking about the federal budget, and to show exactly where costs were increased. He pointed out, initially, that the federal budget today is roughly ten times what it was in 1939. However the whole pattern of the federal budget has changed very much since then. Out of this $4½ billion budget, approximately half goes for defence spending as a result of Korea and communist aggression around the world. He did point out in this speech that he was not criticizing the defence spending, necessary as it is, so we can get on from this item.

The next great expenditure—very briefly and without breaking it down into departments—is $1 billion for federal social security measures under four main categories: old age pensions; family allowances; veterans' pensions and allowances; and the government's contribution to unemployment insurance. This $1 billion is not government spending in the sense that economists refer to government spending. The government does not spend this money by hiring people or buying material. This is money taken out of the taxation stream and paid as cash to various groups in Canada, for instance to the aged, as far as old age pensions are concerned, and as family allowances to the mothers of Canada. In this field I have never heard his group suggest that we should economize by cutting down spending on old age pensions. I think the hon. member for Winnipeg North Centre (Mr. Knowles) will agree with that. As far as the cost of family allowances is concerned, again if we are going to save taxes there we would have to cut back on family allowances. The hon. member for Moose Jaw may have his own opinions but I know the opinion of his party is that we should not economize in that way. Similar arguments prevail as far as unemployment insurance is concerned and as far as veterans' pensions and allowances are concerned. The only way to reduce the taxes necessary to pay for these measures is to reduce these benefits and pensions.

That $1 billion is entirely transfer payments. It is not spending by the government. It is taken in taxes from those who have done very well in this country, from those who are in the high income brackets. Taxation takes 52 per cent of the profits from every

successful business corporation in this country as a share for all of Canada in that prosperity, and that pattern has been approved by this parliament. These social security payments were initiated by the Liberal party and approved by this house. Never on the hustings, other than in the city of Moose Jaw, have I heard criticism of those payments, by the party to which he belongs, so taxes can not be cut on this billion dollars.

That takes care of $2¼ billion for defence and $1 billion for social security, expenditures of which his party has no criticism. The next item is caused by the fact that we did fight a war to save our freedom, the most expensive war in all history. We financed that war, because of the courageous financial action taken by Mr. Ilsley, better than any other country in the world as far as paying a greater percentage of the cost of the war out of current taxation is concerned. Nevertheless we did have to borrow as well. This time we did not borrow abroad. We did not borrow as we did in the first war, under Conservative management, at 5½ per cent income tax free. We borrowed from the Canadian people at 3 per cent, subject to income tax. These war loans are an obligation to the Canadian people and each year our estimates show—last year speaking from memory it was $425 million—an item to meet interest payments on our national debt. Nine-tenths of the national debt today was incurred as a consequence of the war.

When my hon. friend says we have racked up surpluses, of course we have. That policy was announced by the Minister of Trade and Commerce (Mr. Howe) in 1945 in his famous white paper on post-war policy —that in good years we would have surpluses and reduce debt, the policy followed by all good businesses. That is the only way we can ever reduce that large fixed charge for interest payments on our national debt. The $425 million in our budget each year is again not being spent by the Canadian government to employ men or buy materials. It is a transfer of money raised in taxes as interest payments to those Canadians who loaned us money during the war to prosecute the war.

There are two ways in which we can cut down in our debt. One is what the Social Credit government did in 1935, to repudiate our loans. We will never do that. The only other way we can do it is to reduce the principal of the loan and so save interest payments. We are reducing our national debt each year. It is to the great credit of the present Minister of Finance (Mr. Abbott) that in his period of office each year has been distinguished by a surplus. He has reduced our national debt by over $2 billion—almost 20 per cent—and no other country in the world can say that.

If my hon. friend suggests that we could have invested this money in Ungava or Kitimat or other places, he does not realize, or he chooses not to realize, that it is principally because we have such a sound financial administration here in Canada that we have attracted money from every part of the world for investment in Canada. The great criticism of Americans who come up here to invest is that in their own country they have this deficit spending. The United States government spend each year more than they raise in taxation, deficits which add to their tax burden.

My hon. friend was careful not to mention another new item in our federal budget—the tax rental agreements now signed by nine out of ten provinces. I spoke on them last summer, after the Leader of the Opposition (Mr. Drew) had spoken roundly condemning them, and I expressed the hope at that time that the good judgment of Premier Frost would soon lead him to enter into such an agreement. I am very happy to say that he has seen the value of these tax rental agreements which help to equalize opportunity in all provinces. These agreements also return to the provinces much more than they were ever able to collect themselves. We are today collecting on behalf of the provinces $300 million in round figures from income taxes, corporation taxes, and succession duties which we pay back to them. We do not spend it. We do not spend it on materials and labour. It is again a straight transfer of cash back to the provinces. The provinces are very heartily in accord with it and why should they not be? The federal government gets all the criticism for high taxes, and passes on the money. They get the money but no criticism. The hon. member's own province, Saskatchewan, was never able to collect one-quarter as much in those fields as they get today from the federal government by renting them to us. All this results in another $300 million to be collected by the Minister of Finance. The hon. member will not want to cut taxes by reducing the payments to his province.

Taking those new fields, defence expenditures and cash transfers to the Canadian people and provinces off the total expenditure of the federal budget, in round figures we are left with about $700 million for all other expenditures—the normal expenditures to provide all the services of government in Canada. That is only about twice the figure

for similar expenditures in 1939. When one considers the change in the purchasing value of the dollar and the expansion of the country since that time which has demanded increased government services, we see that real spending for government services has not changed much since 1939. We are actually criticized for not having expanded many essential services more.

The hon. gentleman talks of taxation and uses this old canard, used generally by ignorant people on the hustings, to the effect that people won't work overtime because they will get in the next tax bracket and so lose money. It is impossible under our graduated tax system to earn more money and yet have less after taxation. Anyone who studies the tax tables knows that. You do not suddenly jump, for example, from the 17 per cent bracket to 19 per cent on your whole income. You have the 17 per cent tax to the end of the first thousand of taxable income above the basic exemptions, and then the next thousand is at 19 per cent, leaving 81 cents of income out of every extra dollar earned. This was a very popular rumour in the shipyards in my own riding during wartime, that if you worked extra hours you were going to lose money. Nobody in Canada, by working extra hours, can lose money. Most of the extra earnings is left to him, that is unless he is one of these very successful business operators who has so greatly expanded his business in the post-war years that he is now in the high income tax brackets. Then, you do pay a larger part in taxes, but some of the extra earnings still remain with even the millionaire.

The hon. member used this phrase—it sort of surprised me to hear a socialist member using it—that business is being bled white in this country and hesitated to expand because of too heavy taxation. Those were his words. What is the story in this country? Never in history has there been such a tremendous business expansion in every part of the country as in the last seven years, with no sign of hesitancy. In past debates my hon. friend has always been quite ready to use personal examples. I would suggest that the sort of expansion he has seen in his own business in the last seven years gives the lie to this statement about business being bled white, and that business hesitates to expand. He has become in these years, instead of a one-man hardware merchant, a tycoon running a chain of stores in Saskatchewan.

The hon. member is smiling happily now at the very thought that this Liberal administration should have offered that great opportunity. We have brought that opportunity to him, and seen to it that the people of Canada are getting their share of his increased prosperity out of the 52 per cent corporation tax which we assess on his business.

In closing—I wanted to speak immediately after the hon. gentleman because these stories go abroad if the charges are not refuted—I want to say that the hon. member spoke in very understandable language so far as the electorate are concerned. He did not concern himself too much with facts or figures. I want to recapitulate again what the actual position is respecting the federal budget. So far as government spending of the type we had in 1939 is concerned, today's budget is about double what it was in dollar terms and about the same in real value. Today half of our budget is for defence, which we didn't have in 1939. There is an extra billion dollars of transfer payments for social security, which we didn't have in 1939—which every party in this house endorsed. There is the necessity of honouring our obligation to pay interest on this money which we borrowed from the Canadian people in time of war, $423 million which we didn't have in 1939. Then we have tried to equalize the standards across this country in a manner that would not leave rich provinces and poor provinces. The poor provinces—and Saskatchewan was one of them before the war—were having great difficulty in maintaining even a minimum standard.

These post-war tax agreements have resulted in a raising of the level of opportunity across the country, and have meant that the federal government has had to raise $300 million more in taxation, which was not done in 1939. The federal government does not spend this money but turns over that cash to the provinces. Finally we get down to this residue of about $700 million for actually government spending for all the services the Canadian people over the years have requested from the federal government—public works, transport, police, post office and all the rest. I should not close with a question—I am sorry the leader of the C.C.F. is not in his seat, but I see the senior member for Vancouver East (Mr. MacInnis)—but I want to ask, and I am sure this house would like to know, whether this is a new statement of C.C.F. policy, the assertion by the hon. member for Moose Jaw that corporation taxes are much too high and should be reduced. I am sure the house would welcome a statement on that point.

Mr. Thatcher: I wonder if the minister would permit a question? He suggested that in our budget at the present time there are fixed expenditures to the extent, I think, of about $3·7 billion. He indicated they were

for social welfare, interest on debt, payments to the provinces and so on. Is he, on behalf of the government, taking the attitude today that it is not possible to have economies in these expenditures? That is the impression he gave me.

Mr. Sinclair: Mr. Speaker, as you will recall I at no time suggested any such thing. I would go further and point out that nowhere in his speech did the hon. member suggest specific economies. That is the great difference—

Mr. Thatcher: I certainly did. On a point of order, Mr. Speaker, I suggested that there are a lot of places for economy right in this house.

Mr. Sinclair: The hon. member went back to one or two of the illustrations he used in his speech before. You will recall that in his speech last session he suggested economies in family allowances and old age pension payments, but those were immediately repudiated by his party. The only thing he has suggested so far in today's version of last session's speech is economies so far as the House of Commons post office and the Senate post office are concerned. The hon. member has been here seven years, and he should know that the management of the House of Commons and the management of the Senate is not the responsibility of the government but is the responsibility of the House and the Senate.

Mr. Thatcher: I should like to know if the Minister of Fisheries, since he became minister, has taken any steps in his own department to try to bring about economies. This little pamphlet shows that fisheries expenditures are up 35 per cent in the first seven months of this year. The first day of last week I received from his department a bulletin—

Mr. Deputy Speaker: Order. The hon. member may ask a question, but he must not make another speech.

Mr. Thatcher: Does the minister think these eight booklets on how to make salads, delicious recipes for tuna, Canadian fish recipes, are of any particular advantage?

Some hon. Members: Sure they are.

Mr. Sinclair: When I heard that the hon. member was going to speak about economies, it was suggested that he was going to speak about these fish booklets which our department turns out. I am answering the hon. member's question, Mr. Speaker, and not making a separate speech. I was delighted when I heard this, and it is for that reason I have this material on my desk. He is the first C.C.F. member since Harry Archibald left here in 1949 who has shown any interest in fisheries, even such negative interest as this. One of the most important jobs which the fishing industry and fishermen ask us to do is to increase the sale of fish here in Canada. It was for that reason they asked us to prepare these excellent booklets which have had a very wide reception in women's clubs and organizations across the country and have helped to increase fish sales. The total cost of issue amounts to $24,000, and that amounts to ·012 of one per cent of the annual value of the fishing industry in Canada.

I have this to suggest to the hon. member. He does not know much about fishing and I do not know much about the hardware business, but if all he spent on advertising his business since 1945 had been ·012 of one per cent of his sales, he would not have a chain of hardware stores now but would be behind the counter selling nails for somebody else.

Mr. Cruickshank: Any more questions?

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

YEAS

Messrs:

Argue	Knowles
Blackmore	Low
Bryce	MacInnis
Coldwell	Noseworthy
Fair	Quelch
Gillis	Shaw
Hansell	Thatcher
Herridge	Thomas
Johnston	Wright
Jones	Wylie—21.
Knight	

NAYS

Messrs:

Adamson	Browne (St. John's West)
Anderson	Bruneau
Applewhaite	Byrne
Arsenault	Cannon
Ashbourne	Cardiff
Balcer	Cardin
Balcom	Carter
Bater	Casselman
Beaudoin	Catherwood
Benidickson	Cauchon
Black (Chateauguay-Huntingdon-Laprairie)	Cavers
Black (Cumberland)	Charlton
Blair	Churchill
Boisvert	Cleaver
Boivin	Cloutier
Bonnier	Corry
Boucher	Cote (St. Jean-Iberville-Napierville)
Bourget	Cote (Verdun-La Salle)
Bourque	Courtemanche
Bradette	Coyle
Breton	Crestohl
Brisson	Cruickshank
Brooks	Darroch
Brown (Essex West)	Dechene

Decore
Demers
Denis
Deslieres
Dewar
Dickey
Drew
Dube
Dumas
Dupuis
Eudes
Eyre
Fairclough, Mrs.
Ferrie
Follwell
Fournier (Hull)
Fraser
Fulford
Fulton
Gagnon
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Lapointe)
Gauthier (Portneuf)
Gauthier (Sudbury)
George
Gibson
Gingras
Gingues
Goode
Gour (Russell)
Graydon
Green
Gregg
Harkness
Harris
Harrison
Hees
Hellyer
Helme
Henderson
Henry
Hetland
Higgins
Hodgson
Hosking
Howe
Huffman
Hunter
Jeffery
Jutras
Kickham
Kirk (Antigonish-Guysborough)
LaCroix
Lafontaine
Laing
Langlois (Berthier-Maskinonge)
Langlois (Gaspe)
Lapointe
Larson
Leduc
Lefrançois
Leger
Lennard
Lesage
Little
Macdonald (Edmonton East)
Macdonnell (Greenwood)
MacDougall
MacKenzie
MacLean (Cape Breton North and Victoria)
MacLean (Queens)
MacNaught
Macnaughton
McCann
McCubbin
McCulloch
McCusker
McDonald (Parry Sound-Muskoka)
McIlraith
McLure
McMillan
McWilliam
Major
Masse
Monette
Montgomery
Mott
Murphy
Murray (Cariboo)
Murray (Oxford)
Mutch
Nickle
Nixon
Nowlan
Pearkes
Pinard
Poulin
Power
Proudfoot
Prudham
Richard (Ottawa East)
Roberge
Robertson
Robichaud
Robinson
Rooney
Ross (Hamilton East)
Ross (Souris)
Rousseau
Rowe
Schneider
Simmons
Sinclair
Smith (Moose Mountain)
Smith (York North)
Stanfield
Starr
Stick
Stuart (Charlotte)
Studer
Tremblay
Valois
Viau
Ward
Warren
Weaver
Weir
Welbourn
White (Hastings-Peterborough)
White (Middlesex East)
Whiteside
Whitman
Winkler
Wood—185.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, I move, seconded by the hon. member for Acadia (Mr. Quelch):

That the amendment be amended by adding at the end thereof the following:

"(f) To bring before this house, for adoption, a realistic financial and economic policy that will ensure the orderly development of Canada's resources, guarantee adequate markets at remunerative prices to producers, and provide to every Canadian his just share of the wealth our resources can be made to yield."

[Mr. Cruickshank.]

About seven years ago this December this house was engaged in a stern struggle over the Bretton Woods agreement. Hon. members who were present on that occasion will recall that the only ones in the house who opposed the acceptance of the Bretton Woods agreement and pointed to the dangers and deficiencies in that agreement were the Social Crediters. We now find that the Bretton Woods agreement has failed dismally to accomplish those things which all other members of the house were so certain it would accomplish.

Meanwhile conditions in the world have deteriorated. If we had been wise enough in 1945 to discern that the Bretton Woods agreement had not any possibility of solving the problems threatening the world we would have had seven years to spend in trying actively to determine what would solve the problems of the world. Seven years have passed in rapid deterioration in world relations and, shall I say, in the morale of the world; and conditions are far worse than they were in 1945.

I should like to read excerpts from four speeches by men whom I think the house will respect, which excerpts indicate the truth of what I have just said. The executive directors of the international monetary fund in their 1952 annual report stated:

> It is a melancholy fact that seven years after the end of the war the fund has to report that the international payments are still far from having attained a state of balance and that exchange difficulties and exchange restrictions are again, over large parts of the trading world, the order of the day.

Horacio Lafer, chairman of the board of governors of the international bank in his address on September 3, 1952 stated:

> The third serious problem we have to face is the widespread balance of payments disequilibrium affecting many countries. While there is surplus production in many areas and acute needs in others, trade cannot flow because of the lack of needed currency.

Here is another one from "Trade Winds" from Babson's "Washington Forecast", September 22, 1952:

> U.S. exports and imports are still dropping. While we still maintain a favourable balance of trade, storm warnings are up around the world. In spite of all our economic aid and overseas procurement, the big bugaboo is the off-shore dollar shortage. Dollars were more plentiful abroad after our post-Korea spending spree. That was followed by a strong foreign market for our products. Now, the dollars are running out. As a result, our exports have dropped an average of almost 10 per cent per month since early spring.

One more from "A World Economic Crisis" in Whaley-Eaton Service, September 6, 1952:

A world economic crisis is in the making, as indicated in the report of the International Monetary Fund to the effect that financial conditions have worsened. There has been a backslide towards a tangle of restrictive money and trade controls. Solutions are yet to be forthcoming. The British are expected to have a major program ready for presentation to the next American president soon after the election. As reported last week, this will probably call for removal of trade barriers to a degree heretofore not contemplated.

To all those who have been giving careful thought to international affairs, who have studied with some understanding causes of world war II and world war I and the cause of the great depression which led to world war II, may I suggest that the statements contained in those comments carry the gravest import. Those quotations indicate strongly that our main problem in the world is a monetary problem. We in this group have been contending in season and out of season ever since we came here in 1936 that our problem is a monetary problem. We must not expect to find a solution in any other direction.

Let us then give the minutest attention to our monetary system. Thus far our pleadings, shall I say, have largely fallen on deaf ears. Members of the Conservative party, members of the C.C.F. party and some Liberals have begun to wonder how in the world it was that the Social Crediters were right on Bretton Woods while they were all wrong, but it has not dawned on them that Social Crediters knew some great fundamental facts about trade and money matters in this world which unfortunately these gentlemen either had not learned or had not learned their significance. Once more I call the attention of the house and the country, and our neighbouring countries if they will listen, to the fact that our problem is a monetary problem especially if war preparation ceases in the world.

Money is a remarkable mechanism. There is nothing mysterious about it. There is nothing sacred about money. Money is created by man to meet man's convenience and to help man solve his problems of production and distribution. Money ought to be the servant of man, but up to the present time in the history of the world money has been the master of man and has caused man some of the most grievous torture that he has experienced on this planet. On the face of the earth there is not one dollar, one pound, one mark, one franc, one lira, yen or ruble that human agencies have not brought into being.

Why do men dread money? Why do they fear the proposal that a government should create money, when the constitutions of the United States and Canada specifically give the central government the authority and the responsibility to create money and do not say that they should put that responsibility on the shoulders of bankers? The kings of Great Britain created the nation's money, and the money was the king's money for centuries. In those days the country was happier, considering the progress of economic affairs, than it has ever been since the bankers began to create money.

The result of the whole thing is that we have had plenty of trouble. What is the reason that men fear money? Everybody in the house and in the country knows that too much money in the economy tends to cause inflation or a rise of prices through having too few goods in relation to the money in circulation. In other words there would be too many dollars chasing too few goods, as the hon. member for Greenwood (Mr. Macdonnell) put it so well one time, causing a scarcity of goods and a rise in their price. Too little money in an economy tends to cause deflation or a fall in prices and employment, through having too many goods in relation to the money in circulation or, in other words, too few dollars chasing too many goods.

Certainly it ought to occur to everybody that one of the main things mankind should aim at, in this day and age particularly, is a device whereby the amount of money can be kept in constant relation to the amount of goods so there would be at all times the right amount of money chasing the right amount of goods. It should not be impossible for an age that has created radar, guided missiles, the jet plane, the atom bomb, the hydrogen bomb, that has contemplated flights into space, to create a device which would guarantee that regular relation between money in circulation and goods available for purchase. Why is it that apparently nobody, except Social Crediters, has given any attention to this matter? It strikes me as astounding.

Usually there have been present complicating factors, which is one reason it has been hard to tie down any particular aspect of inflation or deflation. The result of it all has been that monetary science is as yet utterly inadequate and its conclusions bitterly contentious. An example of that is to be found in our own day and generation. An increase in prices in the United States and Canada has been deliberately manipulated by crudely and sordidly selfish men, and now practically all statesmen are endeavouring to show that that increase in prices was the result of too much money, which is a preposterous falsehood.

In Canada the increase in prices commenced in 1946, as I have pointed out to the house time and again, with the increase of $5 a ton in steel. From there it spread until it affected the whole Canadian price structure and put that structure on the skids. For any person in his right senses to try to blame that rise in prices on too much money is for him to be either fantastically and naïvely uninformed and unenlightened or deliberately hypocritical, one of the two. I imagine that the period from 1946 to 1951 will go down in history as one of the evidences of the bad results of having too much money in circulation! It is merely a complicating factor which makes it so difficult for men to come to understand the true facts about money. I should like to read one short quotation before I ask to adjourn the debate, because I think it is better that it should be included in today's *Hansard*. Sir Basil Blackett had these words to say in 1931:

> In view of what we have done with currency and currency with us in the last twenty years, we are all of us fit for the lunatic asylum. If many currency experts go mad, it is the natural result of their coming face to face with the insanity of the monetary system with which man has tortured himself ever since he passed from barter to money.

Twenty-one years have passed since the writing of those words, and they are probably doubly true today. Still the horrible insanity goes on.

On motion of Mr. Blackmore the debate was adjourned.

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

HOUSE OF COMMONS

Thursday, December 11, 1952

The house met at 2.30 p.m.

PARLIAMENT BUILDINGS

TEMPORARY STOPPAGE OF CLOCKS

Mr. Speaker: Hon. members probably will have noticed that the clocks do not indicate the correct time and it may appear that we are starting our proceedings today ahead of time. I should like to inform the house that of the 160 clocks in the building, 40 are out of order, but it is expected they will be put in working condition during the afternoon.

Mr. Cruickshank: Just like the opposition.

NEWFOUNDLAND

TERMINAL FACILITIES BETWEEN BELL ISLAND AND MAINLAND—PETITION

Mr. G. F. Higgins (St. John's East): Mr. Speaker, today marks the fourth anniversary of the signing of the terms of union between Canada and Newfoundland. In spite of the somewhat shotgun character of the marriage, may I say that the union has been pretty happy. My main purpose in rising at this time is not to comment on that fact but to present a petition from Newfoundland, the first unadulterated petition that has been presented from that province. It comes from the principal constituency in Newfoundland. In accordance with the rules of the house I understand that I cannot say very much at this time about the petition, but it comes from Bell island and asks for the consideration of the house to provide terminal facilities between Bell island and the mainland of Newfoundland.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 20, for the relief of Sarah Cohen Lintz.—Mr. Winkler.

Bill No. 21, for the relief of Fernande Robitaille Viel.—Mr. Winkler.

Bill No. 22, for the relief of John Joseph Francis.—Mr. Winkler.

Bill No. 23, for the relief of Olga Andrews Martin.—Mr. Winkler.

Bill No. 24, for the relief of Lois Hattie Adelstein Green.—Mr. Winkler.

Bill No. 25, for the relief of Nellie Slade McCue.—Mr. Winkler.

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Bill No. 26, for the relief of Jean Davis Brady.—Mr. Winkler.

Bill No. 27, for the relief of Dominique Fiorito.—Mr. Winkler.

Bill No. 28, for the relief of Pearl Elmeda Clarke Staples.—Mr. Winkler.

Bill No. 29, for the relief of James Arthur Bruce.—Mr. Winkler.

Bill No. 30, for the relief of Bernice Rosen Rapps.—Mr. Winkler.

Bill No. 31, for the relief of Murray Cecil Day.—Mr. Winkler.

Bill No. 32, for the relief of Elizabeth Florence Robson Hamilton.—Mr. Winkler.

Bill No. 33, for the relief of Winniefred Ann Maltby Gurlevitch.—Mr. Winkler.

Bill No. 34, for the relief of Marie Claude Audette Isabelle Boulanger Douglas.—Mr. Winkler.

Bill No. 35, for the relief of Gaston Courtemanche.—Mr. Winkler.

Bill No. 36, for the relief of Norma Bernstein Cohen.—Mr. Winkler.

ARTS, LETTERS AND SCIENCES

RECOMMENDATION OF ROYAL COMMISSION

On the orders of the day:

Mr. R. R. Knight (Saskatoon): I should like to direct to the Acting Prime Minister a question based specifically on representations made by the Canadian Arts Council. I have sent the minister a copy of their letter. In view of the recommendation in the report of the Massey commission on the arts and sciences, is it the intention of the government to set up at an early date a Canada council for the encouragement of cultural activities as visualized in that report?

Right Hon. C. D. Howe (Acting Prime Minister): The subject matter of the question is being discussed by the government at the present time and as soon as a decision is arrived at an announcement will be made in the house.

MANPOWER

RESIGNATIONS FROM NATIONAL ADVISORY COUNCIL

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): I should like to ask the parliamentary assistant to the Minister of Labour if there have been any resignations from the national

advisory council on manpower. If so, what members have resigned, and will a statement be made in regard thereto?

Mr. Paul E. Cote (Parliamentary Assistant to the Minister of Labour): Mr. Speaker, I wish to thank my hon. friend for having given me notice of his question. Two resignations have been received by the council, one from one of the two lady members representing the women of Canada, Mrs. de la Durantaye. She has been replaced by Mrs. Flore Jutras, Montreal. The other resignation was received from Mr. Rhys M. Sale, president of the Ford Motor Company, one of the representatives of employers. I am not aware that he has been replaced yet.

LABOUR CONDITIONS

CANADIAN ARSENALS LIMITED—EMPLOYMENT AGE LIMIT

On the orders of the day:

Mr. J. W. Noseworthy (York South): I should like to direct a question to the Minister of Defence Production, now the Acting Prime Minister. It arises out of an advertisement in the Toronto *Telegram* by Canadian Arsenals Limited, a copy of which I have sent to the minister. Will the minister, in the light of the Department of Labour's request to private enterprise to hire people over 45, explain why Canadian Arsenals Limited, a crown company, is setting an age limit of 35 years for new employees?

Right Hon. C. D. Howe (Minister of Defence Production): I must say that when I read the advertisement I was as shocked as was my hon. friend. I have made inquiries. No good reason has been advanced for specifying an age limit except that the aptitude of people under 35 for this particular kind of work seems to be better than that of people over that age. I have given instructions that employment shall be given on the basis of adaptability without discrimination as to age.

POST OFFICE

UNSEALED CHRISTMAS CARDS

On the orders of the day:

Hon. Alcide Cote (Postmaster General): I wish to answer the question asked yesterday by the hon. member for Macleod (Mr. Hansell) which is reported at page 521 of *Hansard*, concerning the possibility of reducing the postage rate for unsealed Christmas cards until Christmas. The answer is no.

[Mr. Green.]

(Translation):

PRIVILEGE

MR. POULIOT—REFERENCE TO ARTICLE IN "LE SOLEIL"

On the orders of the day:

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, during these last few days I had to absent myself from the house to go back home to Riviere du Loup. On arriving here I hasten to make a rectification about a correction which appeared in *Le Soleil* of December 4, page 3, at the place where the article, about which I had complained the day before, had been published. In view of the good faith shown by *Le Soleil*, I wish to do it justice.

Le Soleil has asked me to give certain facts. In a note by the editor, it is said that there is no cafeteria in the building occupied by *Le Soleil;* and then, that the article I have referred to in the house was written by the parliamentary correspondent of this newspaper and sent from Ottawa to Quebec.

Le Soleil has asked me to make these corrections and it is with pleasure that I do so, because, between gentlemen, it is easy to get along.

(Text):

BEEF

SALE OF NEW ZEALAND PRODUCT STORED IN UNITED STATES

On the orders of the day:

Mr. P. E. Wright (Melfort): I wish to direct to the Minister of Agriculture a question based on the answer given to a question yesterday. Which of the four governments concerned, that of the United Kingdom, New Zealand, Canada or the United States, is responsible for the sale of the 53½ million pounds of frozen New Zealand beef in storage in the United States on November 20?

Right Hon. J. G. Gardiner (Minister of Agriculture): The practice followed under the arrangement is that the British arrange to have the beef which they have bought from New Zealand transferred to the United States, and we in Canada are responsible for sales that are made in the United States to the extent that any government outside the United States is responsible.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, December 10, consideration of the motion of Mr. J. L. Deslieres 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. Blackmore.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, last evening before the house adjourned I began speaking in support of the Social Credit amendment regretting the failure of the government to bring before the house for adoption a realistic financial system, which kind of financial system might be defined as one capable of making that which is physically possible in a nation financially possible. Of course our present system cannot possibly do that. I quoted, from eminent present-day official authorities, statements that indicate clearly that a world economic crisis is in the making. They indicate also that our main problem in the world is a monetary problem.

I deplored the fact that mankind appeared so fearful of doing anything real to reform our present monetary system, so unwilling even to discuss intelligently what Sir Basil Blackett characterized in 1931 as "the insanity of the monetary system with which man has tortured himself ever since he passed from barter to money."

For an example of the insanity and the torture, take the great depression in the United States. Between the years 1929 and 1934 money in circulation in that nation decreased in quantity from $23 billion to $15 billion. That amount of money, $8 billion, was actually withdrawn from circulation in that country. The great depression accompanied that $8 billion withdrawal with all its concomitant loss, unemployment and suffering.

As another example, take Canada. Between the years 1929 and 1934 $932 million were withdrawn in our nation—and the great depression was on us! I should like to ask whoever consider themselves to be the wisest two men in the Conservative party, so far as money is concerned, to tell me whether they have any idea what the Conservatives would do if a similar state of affairs were to begin to arise in Canada today, and they were in power. I should like the two wisest men in the Liberal party to tell us what they would do.

An hon. Member: We have not got time.

Mr. Blackmore: You have got no time to look into the future at all! That is why you are so stupid and say such foolish things.

Mr. Goode: On a point of order, I do not think a senior member of the type now speaking should call anybody stupid. We sit here and listen to him and we think the same thing of him as he has just now indicated he thinks of us.

Mr. Blackmore: But the senior member now speaking has got better sense than to talk about not having time to consider one of the world's major problems. There is exactly where the trouble lies. There are too many people in the country today who will hastily characterize as stupid anyone who tries to find a solution. They proceed blandly along supposing that these terrible problems will solve themselves. There is where the trouble lies, and in this respect the Liberals and the Conservatives are equally to be condemned. I should also like to call on the two wisest men in the C.C.F. party to tell us, when they have the opportunity, what they would do if they were in power in case of such an emergency. Any two of them will do just as well as any other two.

Now, what finally got Canada out of the depression?

Mr. Dickey: The Liberal party.

Mr. Blackmore: Well, that is really good! First I am going to ask this question: What really got Canada into the depression?

Mr. McCann: The Tories.

Some hon. Members: Hear, hear.

Mr. Blackmore: The Liberal party; and the Liberal party leader was clever enough to sneak out of it and leave the whole thing for the Conservatives to carry.

Some hon. Members: Hear, hear.

Mr. Blackmore: That is actually what happened. He knew that the depression was coming on.

An hon. Member: He started it.

Mr. Blackmore: He immediately started to lay the blame for the whole thing on the Conservative party when actually there was just as big a depression in the United States, and I suppose that R. B. Bennett and the Conservative party caused that too! That just shows how much intelligence the Liberal leaders have brought to bear on these great problems.

Some hon. Members: Hear, hear.

Mr. Blackmore: I submit, Mr. Speaker, that the first thing which began to bring Canada out of the depression was the signing of the Ottawa agreements in 1932. The next thing was preparation for world-wide war. Along about 1933 Hitler began to alarm people and, while the Liberals were claiming the credit for the improvement in Canada after 1935, they did not know there was a similar improvement going on in far-off Chile. Just how they managed to affect Chile that way they have not taken time to explain. They

never take the trouble to explain problems like that. The third thing which brought Canada out of the depression and brought the United States out of the depression too was world war II. If we had not had preparation for a war and the fighting of war we would have been languishing in that depression at the present time, Liberals or no Liberals.

Some hon. Members: No, no.

Some hon. Members: Hear, hear.

Mr. Blackmore: It was the policy which men followed which caused the difficulty. Until you learn these facts you do not begin to know what it is all about—any of you. What hon. members need to do is to go and inform themselves.

An hon. Member: What book is that now?

Mr. Blackmore: I can get you many of them.

Why did the war eliminate the depression? Well, in the first place, it limited the production of consumer goods. We were told all through the depression that we had overproduction. All hon. members of the house will recall that statement. It was not underconsumption they thought, it was overproduction. Well, that sounds foolish now, doesn't it? It did not seem to sound foolish to some, however, for they went serenely on deluding themselves and all who listened to them; but the war limited production of consumer goods and concentrated the nation's efforts towards producing war materials. At the same time we distributed throughout the nation the money spent for producing war materials, and that money was used to buy the consumer goods which were not previously going into circulation. That began to improve conditions from the standpoint of prosperity.

The war provided employment for the unemployed—both in the armed forces and in war production. There is no one, even in the Liberal party, who will question that.

We distributed great quantities of money out among the people by means of various payments that were made in the carrying on of the war. Those are the things that brought Canada out of the depression, and when any one of our good Liberal friends thinks he can refute those statements he can take a full period and I will listen to him with great pleasure. I know that he cannot do it.

How could that withdrawal of $8 billion from circulation in the United States have been prevented? How could it have been overcome? I will let any man here ask himself that. I know that the members of this house are all honourable members and good men, but—

An hon. Member: Thank you.

Mr. Blackmore: Let every member here ask himself pointedly what he would have done if he had been the president of the United States in 1930 and had seen that withdrawal taking place. What would he have done to remedy it if he had been the president of the United States with full power in 1935? What would he have done to overcome the difficulty, to bring back into circulation that $8 billion? When he can answer that question he is ready to begin to get wisdom concerning these matters.

Meanwhile, notice that the depression in both Canada and the United States was a monetary problem. When the money went out of circulation unemployment developed. People were not able to buy goods. The price of goods went down—mainly on primary production—and all those other terrible things occurred which characterized that depression.

I will ask that same question of hon. members again. I indicated that I would not single out any particular member as it might embarrass him, but I will ask anybody in the house to answer the question: How would you have put that money back into circulation in Canada? How would you have prevented it from going out of circulation?

Why did it go out of circulation? Because the bankers, who are the only ones who lend money, lost confidence and began to withdraw their loans, and refused to advance further loans. How would you have stopped that? How—with your present outmoded and ineffective monetary system, which as I said a moment ago may be characterized as insane?

May we go back in history and take the United States in 1918? This incident is one of the main causes of the problems with which we find ourselves confronted in the world today. Before 1914 the United States was a debtor country. She was worrying almost as much as we now are about how her trade balance could be kept favourable. After 1918 she was very greatly industrialized because the United States had been called upon to be the workshop of the allied world to produce supplies for the fighting forces. She had tremendously developed her productive capacity, and when the war was over she did not know where in the world she could sell the surplus goods that she was able to produce. That was the beginning of the troubles which are torturing us today.

If you had been the president of the United States in those days what would you have done? The United States found that she had $60 billion worth of goods in the country and only $45 billion worth of money placed into circulation with which to buy those goods. Now, what would you have done if you had been president with full power? When you can answer that you are in a position to begin to discuss intelligently modern economic problems.

The United States actually did two things. First of all, she began a system of lending abroad. She lent money in Europe and in other countries so that they might buy her surplus goods. As long as she was able to keep that money going over there into those countries they would buy her surplus and she was able to keep the wheels of her industry running and her people employed. Just as soon as she discovered that she was no longer able to afford those loans abroad—in 1928 and in 1929—trouble immediately began to fall upon her. With the rest of the world she took us down into a depression.

There are a good many members honouring me with careful attention. In order to justify what I say I will suggest that they read the book "The United States in the World Economy", which explains all this very simply and does not involve Liberals, Conservatives or any others. It just tells what happened.

Then the United States, in 1922, instituted the unconditional most-favoured-nation clause. By this she put the nations into an economic strait-jacket which helped to bring on the depression. No one can understand the conditions that we are living in today unless he understands that.

An hon. Member: You tell them.

Mr. Blackmore: I would be glad to tell them. In fact, I gave several speeches last session on this very subject.

What would you have done, I ask again, if you had been president of the United States? Would you have done as the United States did or would you have tried a financial system whereby you could have put purchasing power into the hands of people and enabled them to buy your surplus goods?

The United States could not do that with the unsound system she had then and has now because all the money she gets into circulation has to be borrowed. She cannot get money into circulation until someone will lend it. There is the trouble with our present system.

Socialism would say "Well, we would redistribute." I ask the socialists and all the rest who are listening: How in the world could you redistribute $45 billion of money to make it buy $60 billion of goods? I just ask the question to show the absolute absurdity of a proposal of redistributing wealth to solve this problem.

Then, there are those who will say "Trade". Anyone who says that the United States was not doing everything possible to trade, just does not know much about the subject. She was doing everything in her power, "blasting her way into the world's markets" in a manner far superior to anything R. B. Bennett ever tried. She was constantly in danger of an adverse trade balance even when she did try to trade.

What did the United States actually do? I have indicated that she used two devices. She started foreign lending which she obviously could not keep up as long as she was lending debt money; and instituted the unconditional most-favoured-nation clause in 1922. The fundamental principle which underlies the unconditional most-favoured-nation clause is the principle of non-discrimination, of which our leaders in this country apparently have now become utterly and fanatically enamoured.

This is where modern talk of the principle of non-discrimination began. Actually it means the very worst kind of discrimination, especially against the weaker economies. Ultimately this policy caused other nations to resort to exchange controls, quotas, high tariffs, attempts to barter and attempts to set up reciprocal tariff arrangements, all of which the United States ignorantly termed economic aggression. The United States designed the Bretton Woods agreement to prevent "economic aggression," as she called it, but did not do one single thing about adjusting this disequilibrium that had grown up, illustrated by the figures of that $60 billion of goods in her possession with only $45 billion of money in circulation to buy the goods.

This whole set-up ultimately precipitated a war. I say once more to the people in the country who will read my remarks, whether anyone in this house will listen, and I am not saying they are not doing it: unless we understand these facts we are not beginning to have the wisdom to understand those quotations which I put on the record last night.

The question will be asked, what would Social Credit have done? Social Credit is eager to tell. People who do not know "shucks" about it are ready to tell all about it. People who do not understand these great fundamental problems are quick to say that Social Credit will not work. That is utter nonsense. Men become blind leaders of the

blind when they carry on as some members have done here, particularly some of the members from British Columbia.

Social Credit would, first of all, introduce a realistic financial system, one which would make what is physically possible financially possible. Now, on the face of it, is that not exactly what you would want? If, in the United States, there were $60 billion worth of goods and only $45 billion worth of money, the first thing was to make financially possible the purchase of those goods which it was physically possible to produce. The government of the United States did not do that; and that is what caused all the trouble.

Social Credit would introduce a monetary system employing money based upon goods and services and not upon gold, either directly or indirectly. I believe that practically every member in this house would agree with that if he were free to talk about the matter. Social Credit would set up a monetary commission, the business of which would be to see that money came into circulation directly in accordance with the needs of business, both for producing and for distributing goods and services. One of the difficulties with all the orthodox thinking men is that they are ready to issue money in accordance with the needs of business for producing, but not for consuming, for distributing. Distributing in this case means the effecting of exchanges of goods and services to the extent necessary to enable all of the people to enjoy the products of the nation's resources to the optimum desirable degree of production. There is nothing wrong with that on the face of it, is there?

This monetary commission would take counsel with the banks and other lending institutions in the nation and, where necessary, would aid them, to the end that every deserving prospective producer of desired goods and services be afforded financial credit to enable him to produce adequately. There is no one who will object to that, but they do not know how to do it under the present system.

Moreover, this monetary commission would create dollars and issue them debt-free in such ways, and to such people, and in such amounts, as to enable people to consume the otherwise not consumable portion of the nation's production, or such goods as the appropriate portion of that production might be traded abroad for. I do not think anyone will question the advisability of that, but they do not know how to do it. It cannot be done without debt-free money.

Social Credit would adopt measures adequate for the establishment and maintenance of a just price to producers, comprising the cost of production plus a fair profit. I think no one will object to that. The question is, how to do it. It cannot be done without debt-free money.

Social Credit would, through the monetary commission, issue to consumers consumer purchasing power in such forms and in such amounts as might be found needful to equate consumption with production in the nation's economy. That sounds sensible, does it not? It cannot be done without debt-free money. Such issues of consumer purchasing power might fittingly be called national dividends.

Now, the financial system—

Mr. Cruickshank: It would be $25 a month?

Mr. Blackmore: That is right, the $25 a month. The people who laugh at $25 a month now will be ridiculous in the eyes of their grandchildren.

The financial system I have outlined would render what is physically possible in the nation's economy financially possible. Any financial system not comprising the principles and the techniques I have outlined cannot possibly render financially possible what is physically possible.

The question everyone asks is, would such dollars, created by the commission and issued debt-free, be sound? We hear a lot of silly talk about "rubber" dollars and "funny" money. These statements are based on lack of knowledge and understanding, that is all. That is the kindest thing I can say.

Could the principle of issuing such money be sound? There is one statement on this matter by the Right Hon. Reginald McKenna, in his report appearing in the *Times*, of January 30, 1936. His statement reads:

> Additional currency, however, can now be furnished by the authorities, if they choose to exercise their powers without reference to the central bank's holding of gold. Thus the nineteenth century, which brought into general use a means of payment hitherto scarcely known outside London, brought also the machinery whereby it could be subjected to intelligent control.
>
> We learnt that a shortage of money may be just as vicious in its effects as an excess, though deflation has still a touch of virtue about it in the minds of many people. Nevertheless it is becoming more and more widely recognized that greater productivity calls for an increased supply of money, for otherwise prices will fall, business will stagnate, and the growing productive capacity will be unused.
>
> For money to be truly "sound" there must be enough of it to finance an ordinarily growing volume of trade, yet not so much as to give rise to an inflationary movement of prices.

I submit, Mr. Speaker, it is absolutely impossible to provide that extra money about which the Right Hon. Reginald McKenna talked, except through the creation and employment of debt-free money. It is

unquestionable that the Right Hon. Reginald McKenna had in mind creating money not based on gold.

Now, what about the Bradbury experiment in Great Britain during world war I?

Mr. Murray (Cariboo): Now, what would you do about—

Mr. Blackmore: I shall answer all your questions later. This whole experiment is well described in "Currency, Credit and the Exchanges" by Dr. William A. Shaw, published in 1926.

Mr. Murray (Cariboo): What about the gold mines in British Columbia?

Mr. Blackmore: Dr. Shaw is the editor of the Calendar of Treasury Records at Her Majesty's public records office. I discussed this whole matter on June 7, 1951.

Dr. William A. Shaw in 1930 published a book entitled "The Theory and Principles of Central Banking". At page 50 of this book he discusses the Bradbury experiment with great admiration. At page 51 he uses the following words:

> After ten years of illuminating experience this perfect, uncontrolled, and uncontrollable automatic currency system was thrown over, the automatic principle was surrendered, and our currency, although declared by law to be inconvertible paper, was placed (or was supposed to be placed) under the control of the Bank of England, and became once again sensitive (or was supposed to be made sensitive) to the vagaries of a fluctuating gold cover fund.
>
> Why was this retrograde step taken, and why did England thus throw over the pure theory of currency issue, which she had accidentally discovered and so wonderfully exemplified to the world?

All those who wish to call Social Credit proposals "funny money" had better consider the opinions of Dr. William A. Shaw, one of the world's greatest authorities. There is no sufficient reason why state money like the Bradbury could not be issued and "spent" into circulation, debt-free.

How much money can be safely created and issued debt-free? The amount depends exactly upon the unpurchased surplus of goods in the nation's economy, and unused productive capacity as regards consumers' goods. That is the answer the hon. member for Vancouver East (Mr. MacInnis) wanted a few days ago.

The Acting Speaker (Mr. Robinson): Order. I am sorry to interrupt the hon. member but I am obliged to advise him that his time has expired.

Mr. Blackmore: Thank you, Mr. Speaker.

Mr. Gordon Graydon (Peel): Mr. Speaker, I venture to divert the attention of the house this afternoon to another subject which I hope hon. members will find as important and perhaps, in some respects, as interesting, as some of the other subjects which have been discussed during this debate. I take part in this debate largely because this fall I was again privileged to be a part of the Canadian delegation to the seventh general assembly of the United Nations. As the minister has given a somewhat comprehensive review of some of the matters which were dealt with at that general assembly, I thought I should say a word about the gathering, viewing it from the position of a parliamentary observer.

We were meeting this fall in new headquarters which were both ornate and highly modern in their appointments. They had a somewhat peaceful setting. I only wish that peaceful setting in greater measure reflected world conditions as we found them represented by the various nations there.

As one goes into the new structure, one finds the seven Canadian doors, made of Canadian nickel, through which the public passes into the United Nations meeting place, and which were the gift of the people of Canada. In the plenary session of the general assembly and in its committee formations one finds many of our Canadians operating there. One finds there, for the first time as the president of this world organization, our own Secretary of State for External Affairs (Mr. Pearson) and with him, as chairman of the delegation, one finds the Minister of National Health and Welfare (Mr. Martin), and also the hon. member for Huron-Perth (Mr. McLean), the hon. member for Kootenay East (Mr. Byrne), who is in the house this afternoon, and Senator Isnor from the other place. When one finds there those Canadians, together with others who are taking part in the delegation work, both as staff, advisers and in other capacities, one feels very much at home at the United Nations these days.

While I was there I was interested in reminiscing on the changes which have taken place since the San Francisco conference. As a matter of fact I think there were there on this occasion at the first part of this general assembly only two of us who represented Canada at the San Francisco conference some seven years ago. In other words, the Secretary of State for External Affairs and myself were what might be described as originals so far as that earlier conference was concerned.

It was an interesting experience to see the changes that have taken place. Out of the 550 delegates who are there and the alternates at this general assembly, there are less than a score who represented their respective countries seven years ago at the San Francisco conference. This fact indicates the changes that take place both in governments and in

personalities the world over. You would be interested, as I was, in comparing the relative numbers of women delegates present with the number who were at San Francisco. At San Francisco we had a lady delegate on our delegation, but few other nations had one representing them. This time there are some 22 lady delegates from all over the world. Of one thing I am quite sure and it is this. While they are conspicuous by the smallness of their numbers, many of them are conspicuous for the contributions that they make to world peace. I have been thinking, Mr. Speaker, that perhaps the whole world misses a good bet in that it does not have a far larger percentage of the womenfolk of the world at the general assembly of the United Nations trying to save the peace of mankind. No section of the world's people have a greater human stake in the preservation of peace than have the womenfolk of the world. Among the personalities who are represented there one finds women like Mrs. Roosevelt, Mrs. Emmett of the United Kingdom, Madam Pandit of India, Senora Figueroa of Chile, and of course the deputy foreign minister of Czechoslovakia, who is a communist, and two other communist representatives on the other two Soviet delegations. But I want to say that I am afraid our womenfolk would not gain too favourable an impression from these three women from behind the iron curtain.

I want to make reference, if I may, to our Canadian delegate, Madame Berger, of Quebec city, and executive secretary of the Quebec Cancer Society. I wish to say that Canada, and this house, can be very proud of the lady that leads the women of this country as a delegate at the United Nations. She will stand up with any of those who represent other countries, in charm, in capability and in industrious application to the work of the preservation of peace.

As a background to our meeting were the United States elections. The decision as to who would be the leader of the leading world power naturally absorbed the attention of many people from all countries while we were there. It would not be fair for me to say that everything about the United States elections, in so far as their conduct was concerned, suited me; perhaps a lot of people down there would not think much of some things that happen in our elections over here. It was as fine and as healthy a display of good democracy as I have seen in many a day. The enthusiasm and the interest—true, there was the carnival and the serious aspect to it—were amazing. Everybody seemed to know the issues; everybody was interested in the issues; everybody was discussing the issues. In addition, they took the election in dead earnest.

I went to a meeting of General Eisenhower in Hackensack, New Jersey. Beside me in the great crowd was a grandmother who asked me to help her lift her grandson up to see the great general. As we lifted the grandson up, a little boy eight years of age, she said: "Take a good look, sonny, your daddy went over with him." I said to her: "Did the daddy come back?" She said: "No, the daddy did not come back", and tears were in her eyes. Judging by the attitude of the gathering on that occasion one got the impression that they regarded General Eisenhower as they might a royal visitor, who had come on that occasion to see them, so great was the ovation that had been given.

The largest meeting that I had the opportunity of going to during one noon hour was that of the other candidate, Adlai Stevenson. It was a gathering of between 75,000 and 100,000 garment workers in New York. There they were jammed in, all interested, everybody keenly interested in what was being said, and in the election in general. Beside me in the crush was a young garment worker. This was indicative to me of how the people felt. The young garment worker was reading a book, and in the crowd I looked over his shoulder to see what he was reading. He was reading a book called "The Constitution of the United States". That indicates to me that we should be very thankful that next door to us is that great republic, which is practising democracy. We may well say that these people are pretty good friends for us to have at this or at any other time, and regardless of how they may conduct the elections, or whom they may elect, the people of this nation and of other nations will have great confidence in the American people, their present government and in the president-elect who will take his place at the head of that nation.

There are only two nations at the general assembly which have multiple-party delegations; that is, the opposition parties being represented. Canada has made a good job of the multiple-party delegation system. At the beginning of this world assembly, Senator Wiley of the Republican party in the United States and myself were the only representatives of the opposition from any part of the world, so we had quite a job to perform, although we were not attempting to represent the opposition behind the iron curtain if, indeed, there is any left there to represent.

I was interested to see that the new secretary of state of the United States, Mr. Dulles, has called for a multiple-party delegation so far as further United Nations representatives from the United States are concerned. I am glad to learn too that

Henry Cabot Lodge, who sat with us in the 1950 general assembly as a representative on the United States delegation, is now to head the United States permanent United Nations group in New York.

I suppose it can almost be said that I have grown up under the multiple-party system of United Nations representation. It is a good system that we employ in Canada, because, after all, the government does not expect the opposition to take responsibility for foreign policy, as it does not expect the opposition to take responsibility for other kinds of policy. On the other hand, the opposition is not bound by the decisions of the government. It does sit in, and it sees the background for these policies from time to time that form around the delegation table. It provides for a continuity of policy and a measure of responsibility in House of Commons debates, and goes as far as is humanly possible, and as far as party differences will permit, to bring about some semblance of a common voice in the councils of the world.

Those of us who believe in trying for such an approach, of course, would like some clarification of some aspects of the government's foreign policy. I speak entirely for the purpose of getting clarification on this point, because it is an important one, and one which has confused me very greatly. I should like some clarification on the emphasis and the importance that we are to give to a cabinet minister who is not the Secretary of State for External Affairs, when that minister is speaking on questions, giving his views on foreign affairs himself as a member of the cabinet on the important question of Canada taking steps, for instance, to establish a north Atlantic political union, or to remove progressively trade barriers between the fourteen NATO nations and the forging of a new political instrument to which all NATO nations shall subscribe. A member of the cabinet has been expressing his views quite freely, and you can readily understand, Mr. Speaker, why I would ask for some clarification with respect to government policies.

From the context of his speeches one would gather that he was speaking on his own personal behalf, but I would like to know if a member of the cabinet, such as the Hon. Wishart Robertson, to whom I refer, can speak personally on such matters without committing his government to the line of policy he advocates. That would seem to flow normally from the principle of cabinet solidarity.

I have no intention of discussing the merits of what he said. It would be improper for me to do so because his statements were made in a debate in another place. Moreover, I have no desire to reflect unfavourably upon the hon. gentleman, whose high standing in parliament is recognized by all, and I want to make that very clear. It is the principle involved which I desire to have clarified, particularly in view of the fact that no cabinet minister in the Commons, so far as I know, has made or endorsed proposals which the hon. gentleman has put forward in the other place as a cabinet minister. We should like to know also whether we can take his statements as representative of government policy, because I think we ought to be very careful not to have one set of foreign policies in the Commons and another set of foreign policies in the Senate.

I want to come back to the United Nations itself for a moment. Those of us who were at the birth of the United Nations at San Francisco are not going to be very ready converts, I fancy, to those forces who would attempt to disband the United Nations Organization. One hears a great deal of talk, perhaps not in this country but in some others, that perhaps the usefulness of the United Nations has come to an end. I have never been a convert to that belief because, as I heard it explained on one occasion, when the world is sick you do not shoot the doctor. It may be that the doctor is not getting his patient back to normal health quickly and successfully, but I think there is something still to be said in favour of the only organization on a global basis that provides a common table under which the nations of the world can put their feet and talk things over rather than go to war with rifles on their shoulders to fight it out. If for nothing else I think that demands that the Canadian people support this organization.

I would point out to those who from time to time attack this organization, and perhaps I could find many scores of reasons for its being attacked, that on balance we must be cautious and careful in expressing explosive opinions with respect to an organization which may yet be the foundation of a just and lasting peace. There are 60 nations in it and none of them has offered to withdraw from the organization as it stands. Fourteen others are clamouring to get in. That would seem to me to be an indication that the results of the United Nations have not been as bad as some people have said.

Of course, the United Nations, like a parliament or any other organization, simply reflects and represents the kind of world in which we live, a world that is cut down the middle. That is reflected in the United Nations.

May I say that one of the frustrating experiences with respect to the United

Nations is that it has never reached the position we expected it would in San Francisco, that is that there would be a real meeting of minds. When you sit in the United Nations gatherings you wonder if perhaps the publicity that is given to everything that is said, not only in the newspapers but over the radio and television, does not tend to divide rather than bring together. This sort of thing frequently does open up old sores and creates delicate situations.

I am one who believes that as far as the United Nations is concerned we must give it the support it deserves. In dealing with this matter not long ago *The Economist* of London said:

> The danger is rather of the U.N. being quietly embalmed in honeyed words, to remain indefinitely as an unburied corpse above ground.

I do not think we quite appreciate the great service the United Nations is doing. There are many things that ought to be changed and perhaps there are many criticisms that could be made. One gets terribly bored at the routine day by day dull proceedings which sometimes seem to be only remotely connected with the keeping of peace. I was one of those who felt that the United Nations headquarters should be in the United States. When we were in London in 1945 I was one of those who thought that that was a good idea. I did not have much support from the Canadian delegation, but I made that proposal. I am not so sure I was right. But there is one thing sure in connection with the Soviet union. With the United Nations headquarters being at the very centre of the free press, the free radio and the free television of this world, it has been used by them as a glorified press conference which they could not get at any other time or any other place in the world. I think, more than that, it has been to some extent a provocation to the United States people who are highly sensitive with respect to fifth columns of communist extraction. I think that these are matters which should normally be mentioned.

When you see day after day the obstruction, the discordant notes, the disharmony and the obstacles placed in the way of a proper approach to peace by those who come from behind the iron curtain, it is no wonder that some like myself view with some alarm the coming into the United Nations of nations like red China who would add another discordant note. I say that because I think we must be careful with the present state of the United Nations that we do not admit a lot of other states of communist extraction and communist leanings who would simply join the great bloc and use this organization as a glorified press conference, the proceedings of which could be beamed to every country of the world. I simply express that personal view because of the experience I have had.

Before I leave the United Nations itself I should like to say that you cannot expect perfect action from the United Nations when it is at war in Korea and yet has not the support of five rather major powers within the organization itself. That creates a confused and conflicting situation but I have no doubt that as time goes on that situation may be clarified.

I should like to mention also a shift in emphasis which is most noticeable in the United Nations. When the United Nations was first set up, emphasis was laid upon the great powers. They had control of the security council; they had the veto. The general assembly was left to the big powers, of course, but the little powers represented a great majority there and it was a majority matter. But as time moved on and the security council became paralysed to a large extent and there was a necessity to by-pass the security council and give the general assembly more extensive powers, as the United States and other free powers attempted to do a couple of years ago when dealing with Korea, new emphasis was placed on the general assembly. I think that emphasis is reflected in the actions of the Arab and Asian blocs as well as some of the Latin Americans. A third force is thus developing in connection with the United Nations general assembly.

In that third force, in which the Arabs and Asians are moving quickly, the Canadian delegation finds itself in a most difficult position. The Canadian delegation has perhaps been faced with no more difficult situation than when they had to deal with the matter of colonial powers and those who have not yet received their independence. Only yesterday in one of the committees of the United Nations Canada was forced to take a position against her old ally France in connection with whether or not the United Nations general assembly was competent to deal with Tunisian and Moroccan disputes.

Do not make any mistake, the soviets are attempting by the new policy which was adopted last summer to drive a wedge between the free powers. Very often they raise colonial and other disputes in order to do that. It is interesting to note that when we were at San Francisco one of every twelve of the world's people had a communist government. This fall at the general assembly we found that one out of every three of the

world's people had a communist government. On the other hand, one realized that while that was happening no less than 624,000,000 people have since the end of the last war obtained national independence by democratic processes. So it is not wholly a despairing report. But nevertheless I want to point out that Korea is by far the central feature of the seventh general assembly. The minister very properly dealt with that as his key subject the other day. As I sat and listened to the speeches of Vishinsky, Lloyd, Acheson, our own Paul Martin and others at the assembly I realized that while bloodshed was going on in Korea the soviets were obstructing in New York. The rock upon which the truce has foundered is of course the question of prisoners of war.

I am not going into that matter in any great detail except to say that many problems were settled at the Panmunjom conference, so many that we are down now to the question of the repatriation of prisoners of war. There are varying estimates as to how many prisoners of war, after screening, actually want to stay on this side of the bamboo curtain. The estimates vary from 38,000 upwards. Of course the soviets have said from time to time that the prisoners of war were not properly screened and that there have been machinations on the part of the capitalist powers who want them to stay where they are. I listened with great interest to the Hon. Selwyn Lloyd, minister of state in the Churchill government, and, incidentally, I do not think I have seen at any United Nations gathering which I have attended better representation of the United Kingdom than that being given by the same Selwyn Lloyd. He made a great impression upon me and I think upon the delegates generally. The following is a summary of what he said in answer to Mr. Vishinsky:

> In June, 1952, he himself had visited Korea and had been an eye witness of the conditions prevailing in a camp of 10,000 North Koreans who did not wish to be repatriated . . . He had been convinced by his conversations with many of these prisoners, chosen at random, with no witnesses other than the interpreter, that they had all taken considered decisions. They had lived under a totalitarian regime and felt that, if they were to return to their countries, certainly their freedom, and probably even their lives, would be endangered. Some of them might still be persuaded to return; and it was to be hoped that that was so since no one could desire the existence of a large number of political refugees in the world. It was questionable, however, whether it was just or humane to place those men at the mercy of governments which they detested and to push them forcibly across the frontier. If attempts were made to do that, there would probably be escapes, suicides and other distressing incidents. That would constitute a crime against humanity.

I think that best describes from an eye-witness point of view the position that is found there. The soviets of course take the stand that under the Geneva convention of 1949 they have the right to compel these prisoners to go back, but the Geneva convention of 1949 did not say quite what Mr. Vishinsky says it said. More than that, after Mr. Vishinsky's long argument in favour of forcible repatriation of prisoners, the hon. member for Kootenay East (Mr. Byrne) and myself heard the Minister of National Health and Welfare (Mr. Martin), having obtained a copy of Mr. Vishinsky's book on the law of the soviet state, read to Mr. Vishinsky from his own book a complete reversal of what he was advocating before the first committee of the general assembly.

Actually the 1949 convention requires that any transfer of prisoners should be effected humanely and that the interests of the prisoners themselves should be taken into consideration. It provides, like the Indian proposal, for release before repatriation. In other words, we are not only in the right on the technical provisions of the convention but beyond any question, I submit, we are in the right so far as the human factors are concerned. It gets down to this: Can we, in all humanity, force these men to go back at the point of a bayonet to face torture or death at the hands of ruthless terrorists? I do not mind saying to the house that I think the conscience of the Dominion of Canada would be outraged if this country did not take the position we are now taking with respect to the repatriation of prisoners of war in Korea.

The Indian resolution of course attempted to find a middle course through the intervention of disinterested states, but like other suggestions it met with the same provocative and hostile blasts from the soviets although fifty-one nations supported and only five opposed it. The soviets were not even polite to the Indians, and anybody who cannot be polite to the Indians cannot be polite to anyone because no one deserves greater politeness or consideration than the delegation from that very great nation.

The minister said that we face three alternatives if the reply from red China with respect to the Indian resolution is a definite no. We of course have always faced those alternatives. There is nothing new in them. The first one is withdrawal from Korea, which of course would be impossible, impractical and unthinkable. After all, we went there for a principle and we are not going to back away from that principle now. If there is any one thing that the United Nations has done so far as restoring peace to the world is concerned it has been to meet

aggression where it found it and not dilly-dally and fool with it as happened on previous occasions in the world's history. Therefore that is out.

So far as the question of holding the present line or stepping up the tempo of the offensive in Korea is concerned, the minister was careful not to press his opinion too far in that respect. Both courses have the seeds of danger in them. Korea itself has the seeds of danger within it. One of the things we must watch for, however, is to see that none of us in the free world attempts to become a bull in a china shop with respect to Korea or any other inflammatory trouble spot. If there ever was an occasion for caution, care, perseverance, determination and steadfast resolution it is now, because we cannot afford to make a single mistake if we are going to play our proper part in bringing about peace. It is a delicate situation.

Mr. Stick: But no appeasement.

Mr. Graydon: No, no appeasement. I may say to my hon. friend that when the question of appeasement arose I thought it was most indicative that one of those with whom I have always agreed—and I am sure my hon. friend will agree as I do—said that in his opinion appeasement in its real form is simply surrender by the instalment plan. That is not what we want and this country will not stand for any such course in the days that lie ahead.

A few moments ago I expressed great confidence in President-elect Eisenhower. We look forward to great things under his leadership so far as that great eastern zone of concern and trouble is concerned. We look forward to what will come out of the forthcoming conference to be held between himself and General MacArthur in the next few days. It seems too bad that a gap which does not seem so great in a sense, the gap involved in the question of repatriation of prisoners, cannot be bridged. It makes one sad to think that, having got so close together, this gap still exists between peace and war.

I want to proffer my own lay views with respect to why the soviets are holding out so strongly. All my views are lay views because I do not profess to be an expert on foreign affairs, although when I attend the meetings of the United Nations I find I am not completely out of place because I have the company of many people from all over the world who do not hold themselves out to be experts, either. Nevertheless, and I want to say this as a layman viewing the situation, it seems to me that the real crux of the situation as far as the soviets are concerned is that they dare not allow prisoners of war in this case to make their own decision about where they will go after the war is over. Those who cannot trust the loyalty of their own forces in the field naturally take the position very seriously; because one can realize what would happen with the Ukraine, with Czechoslovakia, with Poland, and with any of those iron curtain forces that might meet democratic forces should this principle be established. I fancy, Mr. Speaker, that the answer is all too well known to us, as it is all too well known to them.

The fact that the soviets have taken the strong and unchangeable position they have is a very great black eye to the whole soviet system. It indicates that they cannot trust the forces who are under their command. I say to you that I think, on the principle which we have taken there, we ought to have the endorsement of all people with conscience from one end of the world to the other.

I have to depend on my own watch here, Mr. Speaker, but I have some time left—

An hon. Member: You have two minutes.

Mr. Graydon: I would like to have more than that.

When Premier Menzies of Australia was here last spring he made a rather interesting statement at the Canadian Club, where I heard him. I thought it summed up things pretty well. He said in effect: We are living in strange circumstances. We have never been in the midst of such prosperity and we have never been in the midst of such trouble. We have a peace that is not a peace and we have a war that is not a war.

That, I suppose, calls for a type of diplomacy and a type of approach by this country and others that we have never been called upon to make at any time before. I suppose we could say that today we are in a peace of nerves instead of a war of nerves; and perhaps the best set of nerves will be a great factor in the triumph which comes to one side or the other.

The more I see of international gatherings, the more firmly I am convinced that the real strength and influence which a country has at those meetings depends on the strength it has at home.

Some hon. Members: Hear, hear.

Mr. Graydon: How important it is for us to keep our political, our military, our economic, our social and spiritual houses in order right here in Canada. Today if you are going to be strong away from home you have got to be strong at home. That, I think, must ever be Canada's determination and Canada's resolve in these very, very difficult days.

Like individuals, of course, in a cruel competitive world, nations cannot do their best alone. The world is such a shrunken ball now that everybody is next-door neighbour to everybody else. We are on everybody else's doorstep and they are on our doorstep. The result is that the business of "going it alone" belongs, for any nation, to yesteryear and not to today. With the iron curtain countries assessing national prestige and influence only by military might, the sooner that other powers can reach some equivalent to their dominant military superiority the sooner we can get these agitators for world revolution around a conference table to iron out and settle somehow the differences that divide the world today.

I know that kind of peace is not the kind of peace Canadians want. It is not the kind of peace that the free-powers people want. But you cannot always get the kind of peace you want. Perhaps we are going to have to take a second rate peace, a peace based on force, a kind of peace that is perhaps foreign to our way of thinking. Nevertheless, whatever that peace may be, let us make one solemn resolve: that within limits of honour and decency, and the safety of our people, we will strive for some kind of peace that will assure that we do not have the next generation of our people absorbed in bloodshed such as were those in the two armed holocausts before. That, of course, is NATO's aim. NATO's aim is to get and to force those behind the iron curtain around the conference table in a serious and resolute bid for peace. Peace is the world's sole chance of survival. I want to emphasize those words. I believe in them and I think the House of Commons believes in them. Peace is the sole chance of survival for us all. NATO is our best guarantee for safety in a troubled world. This nation, and this parliament I suggest, must bend every effort towards playing our full part in this practical planning for peace. As a nation we cannot afford to flag or fail while the present challenge stares us in the face.

Now, if I may just have a short time longer, Mr. Speaker,—

Some hon. Members: Hear, hear.

Mr. Graydon: In view of the expressed policy of the soviets of splitting the free-powers bloc, I want to say that words or actions of ours should not assist or promote those soviet designs. The application of the policy of the soviets can be seen in their every action in the United Nations today. It is a delicate situation. For instance, right at the beginning of the assembly the problem of Tunisia and Morocco came up. The question was where these issues would appear on the agenda—whether first, second, third or fourth. That decision was a matter which caused grave international complications. The United States voted, on that particular occasion, to move the problem of Tunisia and Morocco to a higher priority than the French government thought it should have. The serious political repercussions in France over that single vote pleased and gladdened the hearts of soviets everywhere.

So, Mr. Speaker, I say that we must be extremely careful in our language within our great alliance. I am amazed to hear in the House of Commons in Britain, and on the platform there, one of their so-called leaders from time to time making statements which do untold damage to the free world. I give him credit for doing it unintentionally but nevertheless I think that these days our language must be measured and sane. I think it must be language that is well considered in the circumstances because every chink in the free world's armour is being exploited in the cold war—to divide us. The only way we can survive is to close our ranks and persevere, and with resolute determination see it through.

Sitting in the midst of the chaos and the division between the democracies and the communists, between the Occident and the Orient, between the haves and the have-nots, between the colonial powers and the colonies, is that indescribably significant family of nations called the British commonwealth and empire. I think there are more people in this house now than I have ever seen in seventeen years who find great pride and great pleasure in standing up and saying a good word for the British commonwealth. Perhaps yesteryear they did not feel so prone to do that. I am glad they feel that way. When our monarch is crowned in June, we will see this great commonwealth and empire stretching around the entire world, bound with nothing but family ties and without a written constitution or anything in centralized form.

This commonwealth is perhaps the only one of its kind in the history of the world. The vast preponderance of the population of the commonwealth and empire are Asiatic with only one out of six being white, and this gives one some idea, in these days when the Occident and the Orient are drifting farther apart, that we might be in a position to be a voluntary link between all the continents of the world. We may be the link between the varied races, creeds and colours. If my prophecy stands, we shall live to see the day when the British commonwealth and empire will yet be the greatest long-range influence for peace in this troubled world.

I recall so well, as many other hon. members recall, the time in 1943 when the Right Hon. Anthony Eden, then foreign secretary, stood at the head of that table and said that in the great world peace conference which was to be held he would make one suggestion only, and that was that in cutting the pattern of peace we should not forget that perhaps the greatest pattern of world peace was that provided by the great British commonwealth and empire. I want to say this, too, and it is a matter which has been brought to the house on so many occasions by the member for Vancouver-Quadra (Mr. Green) that it need not be repeated. It concerns our position with respect to the Pacific. It is easy for us in the central part of Canada or on the east coast to overlook the fact that Canada is a Pacific as well as an Atlantic power. I want to say one sentence, and that is that in our closer tie-in with the various developments towards peace in the Pacific it is not enough to have the United States-Japanese alliance, the United States, New Zealand and Australian alliance or other alliances which are collateral to them. Last session I thought the Secretary of State for External Affairs was coming to the point where he was about to change his mind on this subject, and perhaps he has that in mind now. I believed that we in the British commonwealth ought to have some place in an over-all Pacific pact. After all, Canada and the United Kingdom are two countries that have a vital, continuing and consuming interest in peace in the Pacific area.

I want to close, if I may, with one observation. One cannot sit in the general assembly, Mr. Speaker, without seeing the less developed countries on the march for better things. Not long ago I heard it said in New York that on this continent we have two-thirds of the wealth and productive capacity of the whole world, and that we have only one out of every fifteen of the world's population. I believe that in itself tells a story. It is perhaps more convincing than any comment that could be made in this house or in the United Nations itself. Perhaps at one time responsibility did not hang so heavily on those who had wealth and productive capacity, but today there is a different standard abroad. It is indicated by the revolution in Egypt under Naguib, where, I am told, one of the main troubles was the fact that there were a few people with all of the money and a great many people without enough, and where there was no proper feeling of responsibility on the part of people who had money for those who had not.

If that applies in individual nations, it applies here in our own country; it applies in our own community. We have a quickening conscience with respect to the responsibility of the haves for the have-nots, not only in the legislation passed by this house but in the United Nations itself. I want to say that anyone on this North American continent who disregards or treats lightly in the years that lie ahead this responsibility, with two-thirds of the wealth and production held by one-fifteenth of the world's population, is headed for a rude awakening. I leave that to the House of Commons as at least one illustration of the problems that lie ahead in this and other countries of the world.

I am one of those who believe that military needs with respect to the North Atlantic Treaty Organization and our own defence call for first priority on this government and this parliament. Let us not make any mistake about that. I want to make this other collateral observation also and that is that in the long, hard pull towards permanent peace our responsibility towards our fellowmen throughout the free world will have to be recognized and will have to be discharged as well if the clouds on that far-away horizon of honourable and lasting peace are to be dissipated and the sun of harmony and justice is to shine again.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I am sure previous speakers will forgive me if I do not follow them in the speeches that they have made. I might hope, as I begin what I have to say, that if it is necessary the house will be as indulgent to me in the matter of time as it has been to my immediate predecessor. However, I shall strive to keep within the compass of the forty minutes.

I rise at this first opportunity to reply to the personal attack made on me on November 25 by the hon. member for Peace River (Mr. Low). At that time he used language which you, Mr. Speaker, advised him to discontinue. I shall not reply in similar terms. I was prepared at that time to answer and to prove that what I said in British Columbia was both true and provable. I shall do that today.

The hon. member quoted a newspaper report as my having said:

> The Social Credit movement through its leader, Solon Low, has displayed anti-semitism and racial discrimination.

May I put on the record what I actually did say, since these are abbreviated reports and it would be well to keep the record straight. I warned my listeners that the Social Credit movement was steeped in racial prejudice and throughout its existence had shown both anti-democratic and dictatorial ten-

dencies. I did not refer to the British Columbia government as such or, personally, to Mr. Manning, although since they promote the Social Credit movement and are leaders of it, they cannot escape some responsibility unless they are prepared to publicly repudiate the Social Credit movement. I did not mention them in the connections charged by the hon. member for Peace River, although I mentioned them both in another connection later. I then supported my statement by quotations from two documents which I shall quote from today.

First, I shall proceed to show that my reference was not to infrequent or isolated statements by the hon. member for Peace River or by promoters of Social Credit generally, but a part of their general propaganda.

The originator of Social Credit was the late Major Douglas. I am quite familiar with his writings, having, I rather expect, given the first outline of his theory and criticized it when his first six articles appeared in an English paper known as "The New Age", in 1919 or 1920. Major Douglas was a voluminous writer but he summed up his theory and the reasons for it in a volume known as "The Brief for the Prosecution", which was extensively quoted in this house on occasion, by at least one member of the Social Credit party and would, as I shall show, indicate the real background of both the quotation I made in British Columbia from the hon. member for Peace River (Mr. Low) and some of his speeches in this house.

First, then, the background of the movement. An examination of one of the later efforts of Major Douglas will suffice. In his book "The Brief for the Prosecution" the author of Social Credit uses exactly the same tactics as my hon. friend has used both over the radio and in speeches in this house from which I intend to quote.

Condemnation of ideas, policies, or movements which they dislike are followed by the naming of Jewish persons and most frequently only Jewish persons having any real or supposed connection with such movements or ideas. Not only that but if time permits I shall show that these tactics are invariably followed by Social Credit writers and pamphleteers, published and circulated officially or unofficially by the Social Credit movement in Canada, the United Kingdom or elsewhere.

One thing can be said for Major Douglas and indeed for the late Social Credit member for Wetaskiwin (Mr. Jaques) that they were brutally frank in expressing their anti-semitism—at least they did not damn by association or convict by innuendo.

At page 162 of Major Douglas' book containing innumerable attacks on Jewish persons we find the following paragraph:

> In 1290 Edward I expelled the Jews from England, and twenty years afterwards suppressed the Knights Templars, the direct ancestors of Freemasonry. It is significant that the laws of England which are regarded as 'good law' to the present day unless specifically abrogated, date from Edward I.

His reference to the non-political British masonic order, of which princes of our royal family have been members and indeed filled its highest office from time to time, can be noted too at page 163:

> Seven hundred years is but a moment in the life of a race, and the inspection of documents relating to the management of either England or Scotland in the time of Edward I will convince anyone that we have perhaps not learnt so much of real consequence as we have forgotten. But it is certain that we are faced with a situation which was threatening England with disaster then, and it ought to be obvious that the first step to take is to restrict drastically alien immigration, and to make naturalization a rare and exceptional concession.

When on the program "Press Conference" broadcast over the C.B.C. on November 19, 1951, Mr. Robert McKeown questioned the hon. member for Peace River concerning the fact—

> —that Mr. Douglas, the originator of Social Credit, placed emphasis on anti-semitism and things of that kind—

the hon. gentleman replied:

> I think you are misinterpreting what the Major said.

He added:

> Let me point out that you are classing as anti-semitism expressions that might not reveal anti-semitic feeling. (C.B.C. transcript).

At page 4660 of *Hansard*, July 12, 1943, after some vicious anti-semitic attacks which many hon. members will remember, there was placed on record an editorial comment from the Winnipeg *Free Press* as follows:

> There should be no mystery about where Mr. Jaques got his ideas. He is a student of Major C. H. Douglas, the originator of Social Credit theory, and Major Douglas provided the lead his students and followers require in Jew-baiting. Major Douglas wrote his main work "Social Credit" in 1924, about the same time as Adolf Hitler was completing "Mein Kampf", and by curious coincidence, both these works bore the influence of an earlier work called "The Protocols of the Learned Elders of Zion."

On the following page of our official record will be found Mr. Jaques' declaration:

> Here and now I say on behalf of Social Crediters the world over that we utterly repudiate and denounce the policies contained in the "Protocols of Zion".

That is, Social Crediters oppose the policies falsely alleged by the protocols to have been adopted by the elders of Zion—"But", said Mr. Jaques, "when you come to read them, how can any reasonable man deny the truth

of what is contained in them?" This was said in this house and no Social Crediter rose to say that the speaker was not speaking for "Social Crediters the world over".

Indeed, when Major Douglas died recently, the acting premier of British Columbia, Mr. Eric Martin, said:

> Speaking on behalf of Premier Bennett and the Social Credit government, I would say that his death (Major Douglas) is a tremendous loss to the Social Credit movement throughout the world. All those who embrace Social Credit philosophy look upon Major Douglas as a financial genius and subscribe wholeheartedly to his monetary reform proposals.
>
> (Ottawa *Citizen*, Canadian Press dispatch from Victoria, September 30/52)

It may be argued that there is a difference in supporting Major Douglas' general views and those relating to his economic views, but even a casual acquaintance with his writings and those of his associates will indicate that his views are interrelated—a complete whole of the same pattern.

Now with his background established I wish to turn to some statements of my friend the hon. member for Peace River: The hon. gentleman entered this House of Commons in 1945. We met after the election in September. On October 18, 1945, the hon. gentleman purported to examine the United Nations agreement. I quote from page 1259 of *Hansard:*

> I recall that this idea—
>
> The formation of a world federation of nations.
>
> —was put forward in a book bearing the appealing title "Peace in our Time". Its author was James P. Warburg, son of Paul Warburg, the German international financier who played a leading role with Jacob Schiff in the centralization of the money power in the United States, and its consolidation with the highly-centralized money power of Germany. That particular group of international bankers are predominantly German in origin, stemming from the house of Rothschild in Frankfurt-on-Main. They have become the most powerful financial group in all the world, and they have consistently pursued a policy of centralization of control with the single objective of complete world domination.
>
> It is from that group that the idea of a world federation of nations emanated. However, it was not James Warburg's book which was used as the chief instrument for putting over the idea. It was another book under the title of "Union Now", by Clarence Kirshman Streit which elaborated in great detail on world federation union, with centralized control of finance, international trade and armed forces. The mechanism was ingeniously designed to impose a virtual world dictatorship, under the guise of democracy; which dictatorship, by its very nature, would lead step by step to an absolute world totalitarian tyranny.

It is significant that the hon. member for Peace River singles out Jewish persons only for condemnation for promoting ideas of world federation to which he is opposed. It is just as significant that he does not mention one single non-Jewish person—with the exception of Clarence Streit—in professing to examine the various steps that were taken towards the setting up of the United Nations. I say, with the exception of Clarence Streit, a person who is not Jewish but whom the Social Crediters have, apparently, on many occasions in the past mistaken for a Jew.

It is significant that someone among the Social Crediters discovered that Mr. Streit's middle name was Kirshman. Here was a golden opportunity. With a name like that it was deduced that Mr. Streit must be a Jew. So whenever his books were criticized in Social Credit papers the complete name was invariably given—Clarence Kirshman Streit—to impress upon readers that here was another Jewish person entertaining ideas of international government—another piece in the "sinister international Jewish plot for world power"—"The Protocols of Zion". The interesting point as I have said is that Mr. Streit is not Jewish.

On September 1, 1950, page 126 of *Hansard,* the Social Credit leader purported to examine whereby "Russia has become so powerful and so belligerent between 1917 and the present time". He asks:

> Was Russia's rise to the position of being the foremost belligerent in the world the result of accidental growth or was it the result of a definite policy on the part of powerful interests inside as well as outside Russia.

Then he goes on to say that perhaps the facts that he has to present to the house may help to clarify the whole question and provide some answer to it. What are some of these "facts".

He refers to a group of Wall Street bankers as financing Lenin and Trotsky as far back as 1907. Again, he selects Jewish persons. The Dresdner bank, Jacob Schiff and Paul Warburg come in for attack. The firm of Kuhn, Loeb and Company, of Wall street, is alleged to have fomented and financed the Russian revolution. The Krupps, the Hugo Stinnes are also mentioned in this connection, although, of course, they are not Jewish.

In the same debate Mr. Low had this to say, as reported at page 128 and 129 of September 1, 1950:

> A close study of Russo-American history, I am sure, would reveal the true enemies of civilization, and I think we should be getting after them.

These are an example of the kind of sly insinuations which the hon. member frequently indulges in.

Now I come to the quotation I used in British Columbia, to support my assertion regarding the hon. gentleman. On December

18, 1946, speaking over the C.B.C. program "The Nation's Business" the hon. member said this:

> Do you know that the same group of international gangsters who are today scheming for world revolution are the same people who promoted the world war? Do you know that these same men promoted and financed the Russian revolution? Are you aware that these arch-criminals were responsible for the economic chaos and suffering of the hungry thirties, for financing Hitler to power, for promoting world war II with its tragic carnage? Do you know that there is a close tie-up between international communism, international finance and international political zionism?

This passage is revealing for its confusion and demagogy. The same group is made responsible for exactly opposite things; the Russian revolution and financing Hitler; world communism, international finance, and political zionism. It cannot have been intended as a serious historical statement, since it is so patently absurd. Recent events in Czechoslovakia confirm its absurdity.

On December 13, 1951, as reported on page 1875 of *Hansard*, the hon. member for Peace River, referring to the criticism the hon. member for Winnipeg North (Mr. Stewart) had made on a previous occasion in connection with this statement alleging a tie-up between international communism, international finance, and international political zionism, had this to say:

> The point I was making in that broadcast from which the member for Winnipeg North quoted this excerpt was that I believed fully and deeply that there was a tie-up, and had been for many years, between three international policies: international communism, international finance, and international political zionism. I am not going to debate that proposition today, because this is not the proper place. I say now that I am prepared to debate it with the hon. member for Winnipeg North or anyone else, because I have the information upon which to base my beliefs, and evidence to support my claim.

Well, the hon. gentleman has provoked a debate with me. Let him produce the evidence, if he can do so.

Now let me repeat if anyone will take the trouble to examine "The Brief for the Prosecution", written by the founder of the Social Credit movement, Major C. H. Douglas, he will find exactly the same tactics used there: namely, the condemnation of movements and ideas not generally popular, followed by the naming of Jewish persons in connection with such movements and ideas. These tactics are invariably used by the pamphleteers and the writers of Social Credit, whether it be in this country, in Britain, or elsewhere. Now far be it from me to defend international finance or its bankers. I have often been very critical of them. That I am doing. I am pointing out that while many of the powerful international banks and bankers are British, American, French and Dutch, my hon. friends name only those with Jewish names.

I wish to examine briefly the 1946 annual report of the Social Credit board—an official body of the Alberta legislature. This was presented to the legislative assembly in the province of Alberta at its ordinary session 1947—to show that the same tactics of innuendo and insinuation invariably crop up in a wide range of Social Credit statements. I might add that this report was presented by A.B. Bourcier, chairman, N.B. James, secretary, William Tomyn, and F.M. Baker, all at that time Social Credit members of the Alberta legislature and none of them expelled or suspended because they had anything to do with this report. Reference in this report is made to the so-called world plotters, those who are allegedly out to establish an absolute dictatorship on a universal scale—again the protocols of the elders of Zion.

Who are these alleged world plotters? Again, Jewish persons are singled out under the subheading of "More Evidence" on page 5 of this report which I have before me. Eugene Meyer is mentioned as follows:

> Early this year, Eugene Meyer was requested by President Truman to accept the presidency of the new World Bank . . . It is controlled by individuals who are not responsible to national or international governments.

Listen to this, and I quote from page 6 of the report:

> In March of this year, Bernard M. Baruch was appointed by President Truman, as the United States representative on the United Nations atomic energy commission. Mr. Baruch announced his team of 'alternates and co-workers', to consist of: John Hancock, Wall Street banker; Ferdinand Eberstadt, New York investment banker; Herbert Bayard Swope, publicist and journalist; Fred Searls, New York mining engineer.

On page 7 the report singles out Lord Rothschild and I quote:

> Lord Rothschild, who is one of the wealthiest men in the world, and who occupies a prominent place in the inner circle of international high finance, leads the socialist group in the British House of Lords.

Lord Rothschild never was leader of the socialists in the House of Lords or anywhere else. And on the same page the late Professor Harold Laski is mentioned as an important influence in the British parliament. All this is followed by this paragraph on page 7 and I quote:

> The events of the past year offer further proof of the existence of a deliberately planned scheme which will impose the tyranny of a world slave state on the people of all nations. The foregoing facts are only a fraction of the evidence which may be added to that given in previous board reports, revealing the close kinship which exists between the leading figures in the socialist ranks and those of international finance. It also becomes

more evident as their plans develop that the forces of socialism and finance are both working with all their might to reach the same objective,—the establishment of the totalitarian world state.

Obviously the circulation of the spurious protocols of the elders of Zion had found their way via Social Credit into the Alberta legislature.

The report in another revealing section condemns majority rule, the secret ballot and the organization of political parties. It suggests the ballot should be signed by the voter before he deposits it in the ballot box.

During the 1947 session of the legislature Premier Manning, under pressure from the opposition parties and Alberta newspapers, made a statement with respect to this report. While he did not repudiate it, he said he wished to disassociate himself "from anything which could be construed as undemocratic."

To show that the Alberta Social Credit board report of 1946 was not an isolated report, let me quote briefly from a similar board report as reprinted in the official paper of the Alberta Social Credit league, "Today and Tomorrow", dated May 4, 1944. This is the 1943 board report and was submitted to the legislative assembly in 1944. Note the heading.

Part VII

PLOT FOR WORLD WAR

The two most accepted text books on the subjects of international government. international police forces, international currency, etc. are "Union Now" —by Clarence Kirshman Streit. "Peace in our Time"—by James Paul Warburg.

Clarence Kirshman Streit was for many years the international correspondent of a large New York newspaper owned by the strongest international bank of that city.

James Paul Warburg is a son of Paul Warburg, founder of the American Federal Reserve System, a director of the same international bank, and a power in international financial circles.

The hon. member for Peace River was, I believe, a member of the legislature at that time, as was Premier Manning—they accepted the obvious innuendo without protest.

Now I wish to refer to the type of publication officially circulated by the Alberta Social Credit league for several years and to literature distributed at Social Credit conventions —national and local. This was referred to in the C.B.C. press conference broadcast in November last year.

Mr. O'Leary asked why poisonous anti-semitic literature had been distributed at Social Credit conventions. Mr. Low said that as soon as this was discovered it was stopped. Mr. O'Leary commented that it was not stopped by the Social Credit organization but because he himself had called it to the attention of the attorney general of Ontario when it was circulated in Toronto, because there was a law against racial discrimination in that province, passed that very year.

As hon. members can see I have a stack of photostatic copies of the publication "Today and Tomorrow" which was the official organ of the Social Credit league of Alberta until it was incorporated in their official national publication—"The Canadian Social Crediter". I can only quote a few examples which display the same innuendoes and sly insinuations designed to foment racial suspicion and hatred. Here is one:

March 30, 1944

OH! OH!

WASHINGTON—President Roosevelt announced Tuesday that Judge Samuel I. Rosenman was resigning from the New York state supreme court to become his special counsel. (Edmonton *Journal*, September 15th).

We do not suppose that Felix Frankfurter, Benjamin Cohen, Bernard Baruch and the President's other advisers raised any serious objections.

June 3, 1943.

MAIN STREET

By N. B. James, M.L.A.

And now these same people are suggesting, in a subtle and roundabout way, that we no longer need our King and Queen, our crown, our constitution and the British empire, and that we should transfer our loyalty to a mysterious nondescript international power, composed of some off-colour individuals of no particular country, and who are incapable of loyalty except to gold or its equivalent.

Remember this was before the establishment of the state of Israel and before any difficulties arose regarding its establishment and when a Jewish force was fighting side by side with our allied forces. I now come to October 12, 1944 and quote from their official national publication, *The Canadian Social Crediter.*

There are three spheres of activity which, beyond question, are dominated by Judaeo-Free Masonry. They are gold standard finance, international cartelism, and international socialism, the latter masquerading under such local names as the C.C.F., etc.

And, from the same paper dated September 9, 1944, "The organized Jewish race, as it were, the general staff of materialism militant". Or see what prejudice they tried to raise against one of our most brilliant public servants in their French language publication "Vers Demain" and repeated and reprinted in their English language paper, "Today and Tomorrow", on August 31, 1944, as follows:

TARRED WITH THE SAME BRUSH

Who is the right-hand man of Graham Towers (Governor of the Bank of Canada) and the inspirer of Ottawa financial policy? Louis Rasminsky, grandson of a Jewish refugee, and trained at the London School of Economics.

And so I could continue with literally dozens of such quotations to indicate that the Social Credit movement has been steeped in anti-semitism.

The hon. gentleman will probably say that he dissociated himself and his party from the French-speaking section. Again "Press Conference" has a revealing question and answer about this, as follows:

Mr. Blakely: What are your ties at the present time with the Quebec organization known as L'Union des Electeurs?

Mr. Low: That is a good question. We have no ties whatever. L'Union des Electeurs disassociated themselves from us about three and a half years ago and there has never been any tie-up since.

Note the words "they disassociated themselves from us." When asked the reason, the hon. member for Peace River had criticized them because:

We felt that they were paying too much attention altogether to such things as you have just mentioned a few minutes ago, that is the question of zionism. We have felt that the emphasis on that was too great.

It should be noted it was not because it was false, but presumably it was too great to meet the political needs of my hon. friend and his friends. Of the French campaign the *Canadian Register*, which is the paper of the English-speaking Roman Catholic population —this was placed on the record of the house on May 16, 1947, to be found on page 3162 of *Hansard* of that day—had this to say:

It is therefore with feelings of shame and horror that we have noted the publication in *Vers Demain*, organ of the Social Credit party in this province, of that spurious calumny of the Jews known as the "protocols of Zion." This fantastic forgery, long known to all serious students as false, contains all sorts of nonsensical "revelations" of non-existent "plots". It is a vulgar and crude libel of our Jewish brethren which is capable of causing great harm among prejudiced or uncritical readers.

The protocols of Zion have been circulated by Social Crediters across western Canada, and are among the many books recommended by Major Douglas for reading by Social Crediters in Britain and I presume across the world.

I come now to an official reprint of an article in the *Canadian Social Crediter* entitled "Intrigue in High Places. An Honest Appraisal of the U.N.O." by E. G. Hansell, M.P. I quote a few paragraphs to illustrate the usual tactics of singling out Jewish people for special condemnation, although be it said it casts grave imputations against other prominent persons of international repute. This reads:

Some of Hiss' advisers were men who were already powerful figures in world finance. Among them was Henry Morgenthau, Jr. whose plan to restrict and demoralize the German economy for the benefit of American financiers has back-fired.

There was also James P. Warburg who is an ardent advocate of world government. His friend, Eugene Meyer, another powerful banker, became the first head of the International Bank. His successor was John J. McCloy, who sat under the teaching of the marxist Felix Frankfurter of Harvard law school. Frankfurter was exalted to position and power by President Roosevelt and is today a close friend and associate of secretary Dean Acheson, who was largely responsible for the reversal of American foreign policy in China.

May I just comment that no more conservative justice occupies a seat on the supreme court of the United States than Mr. Justice Frankfurter, but because he had a Jewish name the hon. member for Macleod (Mr. Hansell) brands him as a Marxist in order to condemn him in the eyes of those who will read the article. Talk about cesspool politics. This article by the hon. member for Macleod is just one long deliberate attack on Jewish persons. In the same article he implies that President Roosevelt met a strange death. He says:

Roosevelt died a mysterious death. No one was permitted to see his body.

The hon. member for Lethbridge (Mr. Blackmore) had something to say at Trail which in the opinion of the Trail *Times* of April 17, 1952 and of Mr. Elmore Philpott in the Vancouver *Sun* carried an implication of the sort I have been discussing. The Trail *Times* reports the hon. member as saying:

Lester B. Pearson, Canadian Minister of External Affairs, was a protégé of a man known as the "Emperor of Canada", probably the richest man in the country.

The Trail *Times* says that he implied that the unnamed rich man was responsible for Mr. Pearson's support of the new state of Israel. Mr. Philpott observed that it implied the old line of anti-semitism. I say to the hon. member for Lethbridge that he owes it to the country and to the house to name this so-called emperor of Canada, whose protégé is alleged to be the minister of external affairs and the present president of the United Nations.

I have dealt only with the recorded or official statements of the party to sustain my statement in British Columbia, a statement which I repeat, that the Social Credit movement has been steeped in racialism since its inception and has shown dictatorial and anti-democratic tendencies. I have no time to refer to the vicious articles which have appeared in the unofficial publication "Social Credit" in this province or to other publications circulated by my hon. friends. I have stacks of photostats here. I have not referred to how Social Credit candidates were finally chosen in 1935 for Alberta and in 1938 for my own province of Saskatchewan

by the late William Aberhart and two advisers in Edmonton. They took unto themselves the official choosing of candidates for the Social Credit party in 1935 for Alberta and in 1938 for Saskatchewan.

Mr. Hansell: That is not right.

Mr. Coldwell: The hon. member says that that is not right. Let me tell you how I know. My name was sent up to Aberhart against my express wishes, but I am happy to say that Mr. Aberhart listened to what I had to say and did not endorse me. Had he done so I would have repudiated it.

I have not had time to refer to the legislation passed by the Social Credit legislature in Alberta to control the press and so on. The legislation other than that referring to proposed financial policies in Alberta was disallowed because it was properly regarded as an infringement of federal powers and of fundamental democratic rights.

I am confident that I have sustained my assertion. I object to statements which are true in substance and fact being termed by my hon. friends as cesspool politics. Last week in Edmonton the leader of the Social Credit group said that Ontario wanted to get back to old-fashioned righteousness. This is in line with the holier-than-thou attitude which my hon. friend assumes here. But in Victoria he gave an example of his campaign style which is reported in the Vancouver *Province* of September 27, 1952, and I quote:

> In B.C., he said, there have been men who "bought their way into office and kept themselves there by continual blackmail."
>
> "All they thought they had to do to stay there was to buy nylons for the ladies and whisky for the men", he said.

The hon. gentleman can prove that statement when he speaks, and he is on the list to speak as next but one after me. Let him prove that there were nylons for the ladies and whisky for the men and blackmail by my hon. friends of the Conservative party and Liberal party whose friends were in power in coalition in that province.

His deskmate says that Mr. Pearson is the protégé of an unnamed rich man known as the emperor of Canada. Let him prove that. The hon. member for Macleod, in his vicious attack from which I have quoted, implied that some unnamed miscreant—this is from the article he wrote—may have murdered the late president of the United States.

Yes, Mr. Premier of Alberta, we do need a back to the Bible campaign, but religion, like charity, should begin at home. Therefore I suggest that he direct his attention to at least three of his Social Credit followers in the federal house and direct them to the gospel according to St. Luke, chapter 18, verses 10 to 13. Hon. members recall the story of the two men who went into the temple to pray, one a pharisee and the other a publican. The pharisee walked up to the front and said, "Thank God I am not as other men, particularly not like this publican". The publican stood at the back of the temple, and lifting up his eyes he said, "God be merciful to me a sinner". So far as this holier-than-thou attitude is concerned, the reading of that parable would be a very good thing. Then he might turn the attention of the authors of the speeches I have quoted to the 20th chapter of Exodus wherein are written the commandments, and draw their attention to that which says "Thou shalt not bear false witness against thy neighbour".

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, in my first remarks this afternoon I should like to associate myself with the speech made by the hon. member for Peel (Mr. Graydon). As he mentioned, I had the honour of attending the general assembly of the United Nations for something over a month. In addition to what he has said, may I say that to sit in the great hall of the general assembly at its plenary session when the Secretary of State for External Affairs (Mr. Pearson) was elected to the presidency gave me a feeling of great pride, not because he was a member of my party but because he was a Canadian representing a great nation. I further wish to say that from my experiences there, in company with the political delegates from Canada, the representatives chosen from other walks of life and members of the civil service, I obtained a greater appreciation of the worth, value and hard work that it is the custom of our civil servants to perform. I was greatly impressed by their activities and, contrary to the opinion of some, I should like to say that every statement made by a delegate was given careful consideration in committee and in caucus before being finally decided upon. No irrational statements were made at any time.

As a British Columbian I wish to associate myself with others who have complimented the two new ministers from British Columbia, the hon. member for Vancouver Centre (Mr. Campney), and the hon. member for Coast-Capilano (Mr. Sinclair). I am sure that it bodes great things for British Columbia. I feel that Mr. Mayhew's appointment as ambassador to Japan was an excellent choice. He has been in public life for many years and is well acquainted with affairs in the Far East. I am sure he will discharge his new duties in an exemplary manner just as he did in the past in the House of Commons.

So far as the official opposition is concerned, I have very little to say. The Leader of the Opposition (Mr. Drew) did not make a very impressive presentation of his amendment, certainly not such as would lead me to support it. While CF-100's cost close to three-quarters of a million dollars, he talked of neckties. While Centurion tanks cost many thousands of dollars, he talked of teapots. After the Leader of the Opposition had completed his speech the observation occurred to me that he had indulged in his usual pastime of raising a tempest in a teapot.

With respect to my own riding of Kootenay East, I believe that this region has been more or less left out of the picture so far as the development of natural gas in western Canada is concerned. I sincerely hope that the Minister of Trade and Commerce (Mr. Howe) will see to it, as I believe it is within his power to do, that before any natural gas is exported to the United States the east and west Kootenay area will be assured of a reasonable supply. Kootenay East and Kootenay West combined will consume as much natural gas as the entire greater Vancouver area. Therefore it is an important section so far as gas consumption is concerned, and we must have the assurance that a supply will be available.

No doubt the coal miners of the Crowsnest pass region will be in the position of losing some of their markets when gas reaches the Pacific northwest and the Vancouver area. Having lost those markets, it would be tragic if there were not a compensating benefit through natural gas being made available to that region so that new and greater developments might take place.

I should like to ask the Minister of Agriculture (Mr. Gardiner) to give earnest consideration to the extension of the P.F.R.A. to British Columbia. It would seem from the weather conditions of the last six months that we are possibly facing a drought period. These cycles do come, and when they do we often have four or five years of dry weather.

The Camp Lister area of my riding is at the present time supplying a large portion of the hay for the dairy industry in the Trail and Kimberley regions. It would be disastrous if the producers of hay should find themselves in a position where they were not able to keep the dairy industry supplied, because as a consequence the whole population would suffer through a milk shortage. If it is not possible to extend the P.F.R.A. to British Columbia, if the minister does not consider British Columbia a prairie area within the Palliser triangle, then legislation should be introduced whereby the people who reside in the drier parts of British Columbia may be given similar assistance, and also in those places where drainage is necessary.

Mr. Speaker, there is another very important question which affects a large section of the people in my area. It is the present situation with respect to railway negotiations. I note that the hon. member for Springfield (Mr. Sinnott) has indicated that he intends to bring in a resolution which I shall read so that it may appear on the record with what I have to say:

> Resolved, that, in the opinion of this house, in view of the emergency now existing and the urgency of a program of war preparedness, the government should take into early consideration the advisability of introducing legislation to make strikes illegal for a period of two years, providing, at the same time, for the settlement of labour disputes by arbitration between labour and management.

Mr. Speaker, first I wish to ask the hon. member, personally, not to put forward such a resolution under the Liberal name.

Some hon. Members: Hear, hear.

Mr. Byrne: It would be contrary to Liberal principles, and it certainly is not in the best interests of the Canadian people generally. Further than that, Mr. Speaker, I cannot see why the railway employees should be singled out for special consideration. Undoubtedly there is an emergency, as the hon. member for Peel (Mr. Graydon) pointed out this afternoon, but there is also an emergency in the kitchens of many Canadian railway employees.

I have figures here, taken from union agreements, which show quite conclusively that railway employees, generally speaking, are not as well paid as those in other organized industries. The railway industry is the most important in Canada. Without railways we can have no other industry. It is a common fallacy throughout Canada to think that railway employees are very highly paid, the aristocracy of labour. That is a complete fallacy, because I am sure that few of the aristocracy work the hours that are necessary for a railway trainman to make $4,000 a year or even $3,000 a year. To make $3,000 a year a railway employee in the running trades must work longer than those in most other organized industries. He would necessarily have to work 300 shifts. In other industries if a man worked 300 shifts he would make considerably more than $3,000. I have known a man to work over 400 shifts in a year on the railway and yet make only $4,000. A worker in industry where union agreements which call for overtime are in effect would have made in the neighbourhood of $6,000 or $6,500.

It is not my intention to spend a great deal of time on the question, and I do not feel it is my duty to act here on behalf of any organized labour group; but I say we must understand that the railways are working under a certain amount of government control. It is a restricted organization. The railways are not free to bargain and give wage increases without having to make compensating increases in rates. Such increases, of course, do have political repercussions. I feel that railways are sufficiently important that the attention of this house should be drawn to the matter at this time; and I think I can do so most aptly by reading an excerpt from a recent speech made by the president of the C.N.R. to the Canadian Club. I do not intend to discuss freight rates, but I do think people should begin to think about this whole question. He said:

> Canadian railways now are without the reserve rolling stock and facilities they used to accommodate an enormous expansion of traffic on the outbreak of war in 1939.

He further said:

> . . . realistic planning must recognize rail transport as the backbone of a Canadian defence effort and this recognition must express itself in a willingness to give railways at least as much encouragement and assistance as is given defence industry generally.
>
> To deny the railways the right to earn a subsistence level of revenue would be foolish at any time; to do so in this uncertain state of world affairs could be tragic.

Now, Mr. Speaker, I come to another part of my address, perhaps not so important to some but not unimportant to me. For the past half century Canada has looked toward and enjoyed greater unity of racial and religious groups. Religious controversies and criticisms of religious matters are almost strictly taboo except, of course, in the case of some religious fanatics. No responsible religious group will publicly criticize another for its beliefs or sacred rights. In the interests of Canadian unity, so important to our cultural and economic development, this principle should be inviolate. It is because of this, Mr. Speaker, that I view with a great deal of alarm the fact that one Canadian political party seems to be taking advantage of this general immunity. Seeking refuge under the cloak of religion they hope to avoid any criticism while realizing their political ambitions to become a Canadian political power.

You may ask what basis I have for making such a statement. I have here in my hand a clipping from the Windsor *Star* of December 6, datelined Kingsville:

> Socred Chief Sees need for Religious Revival
>
> [Mr. Byrne.]

The hon. member for Peace River (Mr. Low) was, I believe, speaking before a church group in that town, and I quote:

> Throughout his talk, Mr. Low quoted passages from the bible which indicated that Social Credit, besides being another political party, is seeking to bring the divine law which God gave to Moses as the foundation for government policy.

This afternoon the hon. member for Rosetown-Biggar (Mr. Coldwell) quoted a passage from one of the Victoria papers which I had hoped to obtain. Lacking that, I intended to paraphrase what I thought the leader of the Social Credit party stated while in Victoria. It is in the record now, so I need not repeat it. The hon. member for Rosetown-Biggar quoted a very apt biblical phrase, and certainly the reference to the commandments was very effective.

I do not like to mention my own party alone as one which I believe is based on religious principles, but I should like to quote from a resolution which was adopted by the 1948 and 1952 conventions of the national Liberal party. It reads:

> Liberalism has three key words: Unity, security, freedom. Liberal policies are those which protect, sustain and enlarge the freedom of the individual. The Liberal believes no man is fit to exercise irresponsible power over others. He believes in freedom because he believes the resources of human personality and endeavour to be rich and varied beyond calculation or prediction. He believes in freedom because he believes the community of individuals associated in family, church and diverse free associations to be broader in extent and richer in experience than the state.

These various principles have been extended into Liberal legislation such as the family allowances. Would the hon. member for Peace River (Mr. Low) say that is unchristian? The legislation in connection with old age pensions is Liberal legislation. Would the hon. member say that is unchristian? I do not say that the opposition members did not favour this legislation, but in addition to favouring the legislation the Liberals had the courage to introduce it and raise the money to pay for it. This has been Liberal policy, and it has been followed by Liberal governments. Without quoting further there are many such Christian principles embodied in legislation introduced and presented by Liberal governments.

What does the hon. member for Macleod (Mr. Hansell) have to say when questioned by the hon. member for Winnipeg North Centre (Mr. Knowles) concerning Social Credit policy with regard to social legislation? This quotation is found at page 236 of *Hansard* for December 1, 1952, and reads as follows:

> Mr. Knowles: Would you do away with welfare legislation?—

Mr. Hansell: I would like to answer the hon. gentleman's question if I may. It has always been found that you cannot readily retract or undo something the country has already done—

What was the necessity, Mr. Speaker, of making that statement if it was not the intention to attempt to undo that legislation?

—but I would say that the greatest welfare that can come to the people is to leave with them their absolute freedom to act according to their own conscience—

We could very easily have done that and not introduced the social legislation that we have introduced. I have some more excerpts from the speech by the hon. member for Peace River. I cannot believe that these statements are intellectually completely honest. I refer again to the article in the Windsor *Star* of December 6, which reads:

Citing examples of hidden taxes which consumers shoulder, Mr. Low said that 84 per cent of the consumer cost of a quart of lubricating oil is made up of taxes—

Mr. Low: Which is right.

Mr. Byrne: If that is so, then it is made up of royalties going to the royalty-hungry Alberta government.

Mr. Wylie: What about the federal government? Tell us about that?

Mr. Byrne: I shall tell you about the federal government. The federal sales tax on oil amounts to 10 per cent. I do not know the exact figures, but I presume a quart of oil at the manufacturers' level would cost about 25 or 30 cents. Regardless of that fact, the tax is 10 per cent, and the other 74 per cent apparently goes in royalties to the Alberta government.

There is something significant about this, Mr. Speaker, in that in Ottawa gasoline costs 43·5 cents per gallon, including provincial and federal taxes. The federal tax amounts to 3 cents, while the provincial tax is 11 cents. In Kimberley, the largest city in my riding, gasoline sells at 45 to 47 cents per gallon, and that is almost at the wellhead. There is something significant about that fact when you consider that gasoline consumed in Ontario comes from as far south as Texas.

Continuing to quote from the same newspaper article, the hon. member said:

. . . a $4.95 pair of overalls contains taxes to the tune of 75 per cent of the purchase price.

Mr. Low: That is right.

Mr. Byrne: Perhaps it is right. I suggest that some of the taxes have gone to swell the coffers of the Alberta government in the form of various payments by the federal government to the provincial authorities.

Now, as further proof of their highly religious attitude, I should like to draw to the attention of the house an item which appeared in the Victoria *Colonist*, dated November 29. It is written by staff writer T. A. Myers, who evidently attended the Social Credit convention in Vancouver.

Mr. Wylie: It kind of worries you.

An hon. Member: We are worried about you.

Mr. Wylie: Don't worry about me.

Mr. Cruickshank: Why should anybody?

Mr. Byrne: At this convention it was brought to the attention of the gathering that one of their members was about to die. The British Columbia legislature is going to be the first legislature to have the honour of seating a Speaker who had been shot at by a Liberal. The convention was informed that the life of one Thomas Irwin, M.L.A. for Delta, was in danger. The congregation was called upon to pray for the hon. member's welfare. That, Mr. Speaker, was an extremely honourable thing to do if the member's life was in danger. However, at the same meeting—I do not presume to say at the same moment—health minister Eric Martin arrived on the platform, and had something to say, speaking of Mr. Philpott. The hon. member for Rosetown-Biggar (Mr. Coldwell) referred to him earlier. I want to say that I met Mr. Philpott in the Columbia riding and heard him speak; and I know that what he had to say was anything but complimentary to the Social Credit party. In fact, Mr. Speaker, to those who heard him he exposed the fallacy of Social Credit doctrine.

Mr. Blackmore: No; he did not. He could not do it.

Mr. Byrne: The article reads as follows:

Health Minister Eric Martin made no secret Friday of his bitterness over Vancouver *Sun* columnist Elmore Philpott's opposition to Social Credit in the recent by-elections.

Describing himself as a former gravedigger, Martin said he proposed to raise two headstones to the C.C.F. They would bear the simple inscriptions "Similkameen" and "Columbia".

"Beside these would be two smaller graves," the health minister told the Socred convention. "On one would be Harold Winch. And we would have the decency to put R.I.P. under his name.

"The other grave would be for Elmore Philpott. But we wouldn't put R.I.P. under his name.

"We would put R.I.H.," said Martin with emphasis.

Mr. Coldwell: How Christian!

Mr. Byrne: And I do not believe he meant heaven.

Mr. Wylie: Tell us what happened at the by-elections.

Mr. Byrne: I believe, Mr. Speaker, that Mr. Martin was condemning Mr. Philpott to eternal hell fire. I believe that is what he meant, perhaps jokingly. However, that is what he said at the same time as, or perhaps a few minutes after, they had prayed for one of their members.

An hon. Member: Squirrel-cage stuff.

Mr. Byrne: What inconsistency! Another columnist of the Vancouver *Sun*, Mr. Barry Mather, was led to comment a day or so later in "Open Letter", the title of his column, addressed to "Health minister Hon. Eric Martin":

> Well, I see you consigned Elmore Philpott "to H . . . ". How Christian can you Socreds get?

Mr. Wylie: What was in the dashes? You seem to know everything else.

Mr. Byrne: Mr. Speaker, I learned my Christianity and my faith at my mother's knee and the usual places from which such information is disseminated. I do not propose to be converted by a politician in the guise of a prophet. I am sure the Liberal party has no objection whatever to more religion in politics, and that it will gladly accept it. But what I object to is too much politics in religion.

Mr. Wylie: What are you reading from now?

Mr. Byrne: The hon. member asks what I am reading from. That has been one of several of his interjections. I am just reminded that the hon. member for Acadia (Mr. Quelch), on rising to speak the other evening, took serious objection to interjections from this side of the house while he was speaking or while Social Credit members were speaking. I took the trouble to investigate with respect to the speech that was made by the Minister of Mines and Technical Surveys (Mr. Prudham); and I found that while he was speaking there were some 30 interjections, 23 of them from the Social Credit party. While the hon. member for Acadia was speaking there were two interjections, and both of them were from the Social Credit party.

Mr. Quelch: Mr. Speaker, may I just point out to the hon. member that I did not object to interjections. I merely mentioned the fact that interjections on the part of the British Columbia members displayed an interest in the Social Credit movement. I was not objecting at all.

Mr. Byrne: The hon. member indicated that the hon. member for Kootenay East (Mr. Byrne) and the hon. member for Vancouver South (Mr. Laing) were behind the times in their ridings and, if I recall the matter correctly, that they should catch up. Let me tell the hon. member that the organization from which I came into this house was not particularly known for its reactionary tendencies.

Mr. Solon E. Low (Peace River): Mr. Speaker, it had been my intention to use my time today for the purpose of replying to the speech made by the Minister of Mines and Technical Surveys (Mr. Prudham) last Thursday evening; but inasmuch as the C.C.F. leader has injected himself into this debate at this time—

Mr. Coldwell: Injected himself? I think you interjected with your scurrilous attack.

Mr. Low: I am content to leave that word "injected" stand, Mr. Speaker. As the leader of the C.C.F. has injected himself into the debate at this time, I feel it is necessary for me to say something in connection with what he brought forward today. The case that I have to present in connection with the speech of the Minister of Mines and Technical Surveys I will reserve for another day or two until the opportunity arrives, but it is coming forward just the same.

The leader of the C.C.F. had taken two weeks to prepare a case, and he read it so fast and so completely without stopping to tell us where his quotations started and where they ended—

Mr. Coldwell: No, Mr. Speaker; I gave every quotation and every reference. If the hon. member cannot be fair, let him try to be truthful.

Mr. Low: Mr. Speaker, no matter what I thought about what the leader of the C.C.F. said while he was speaking, I did him the courtesy of listening to him and of keeping my mouth shut, as did everybody else. In all fairness I ask the leader of the C.C.F. to do the same thing.

Mr. Coldwell: I will do that.

Mr. Low: He has the chance to get back on his feet if he wants to, and say anything he desires to say with respect to what I am going to say. But he has never in his life been courteous enough to do that as I have suggested, and I say it is high time that he learned something about courtesy.

Mr. Cruickshank: He will never learn from you.

Mr. Low: Mr. Speaker, may I just say that the croaking we hear from the direction of Fraser Valley simply indicates how this person is so dissatisfied that he feels like

jumping off the lily pad into the pond and drowning himself. I think that is perhaps what he should do.

Mr. Cruickshank: That is high-class stuff.

Mr. Low: We over here listen to that croaking fairly often and it has not much sense to it.

Mr. Knowles: This is old-fashioned righteousness.

Mr. Low: The leader of the C.C.F. has had more than two weeks to prepare his case and, as I said, he read it so rapidly that it was impossible for anybody to tell where his quotations ended and where other quotations began. Therefore, until such time as I have had an opportunity to see the actual record, it is impossible for me to take up and deal with every single thing he said. I think even he would grant that that statement is correct. However, I do want to deal with some of the things I was able to catch as he went along. I will say now, Mr. Speaker, that the leader of the C.C.F. has shown himself, in addition to being a master of the smear technique out on the hustings, to be a master of evasion in the house.

Mr. Coldwell: Mr. Speaker, are these words "master of smear technique and master of evasion" parliamentary?

Mr. Cruickshank: A new religion.

Mr. Coldwell: A new religion.

Mr. Deputy Speaker: Order. I think the question of privilege raised by the leader of the C.C.F. is well taken. I do not think the hon. member for Peace River should accuse any other hon. member of being a master of evasion. I think he should withdraw these words.

Mr. Murray (Cariboo): Crucify him.

Mr. Low: I certainly want to keep within the rules of order, Mr. Speaker, and I will not use any language at all that is offensive. However, I want to be as strong as I possibly can within the rules, in condemning a practice which I think certainly has no place in our Canadian life.

Mr. Coldwell: Whisky, nylons and silk stockings.

Mr. Low: I will answer the hon. member when I come to that. When any charge is being heard in a court the two important duties which devolve upon the court are: One, to test or to judge the credibility of the witness or witnesses; and two, to weigh the evidence that is presented in relation to the charge or charges that have been made and to reach a decision as to the guilt or innocence of the accused on the basis of those facts. That being the case, then certainly we can proceed to examine for just a moment the credibility of the witnesses heard today.

In the first place, the statements that I complained of on the second day of this session were made when the leader of the C.C.F. party was out in British Columbia fighting an election campaign against the British Columbia government, not against me. I remind hon. members that that was so. He was not fighting me, nor was he fighting my movement. At that time he was fighting the British Columbia government. At least he did not start fighting me until he was challenged by Premier Bennett of British Columbia, and then he adopted the tactic of shifting his charges to me and to Mr. Manning.

In order to give evidence of what I just said I should like to read into the record some of the reports of his meetings to indicate what took place. I bring as witnesses newspapers of British Columbia. I shall quote briefly first from the Vancouver *Province* report of November 8, 1952, an article headed: "Coldwell Scolds C.C.F.'ers." The article goes on to say:

> C.C.F.'ers who heard their national leader speak at Pender auditorium Friday night will not likely give a second choice vote to Social Credit candidates in future elections.
>
> M. J. Coldwell branded the new provincial government as one steeped in "racial prejudices" and "dangerous to freedom and social progress".

That was what he had to say on that night as reported by the *Province* of November 8.

Mr. Coldwell: I said precisely what I said today.

Mr. Low: As I said, I am bringing my witnesses. You have had your chance to bring yours. Two days later the premier of British Columbia took issue with the leader of the C.C.F. party, as reported in the Victoria *Times* of November 10. An article in that paper had this to say:

> Premier W. A. C. Bennett today hotly demanded that C.C.F. national leader M. J. Coldwell name the cabinet ministers he claims are "steeped in racial prejudice", or apologize publicly to the people of British Columbia.

It goes on to say something further about what Mr. Bennett thought, and near the end of this same article in the Victoria *Times* we find this:

> After branding the Social Credit government as one steeped in racial prejudice and "dangerous to freedom and social progress," Mr. Coldwell, in his Vancouver address, scolded his party for electing five Social Credit candidates on their second choices.

That is essentially what was contained in the statement of the Vancouver *Province* of November 8.

Mr. Coldwell: The same reporter.

Mr. Low: No, not the same reporter. One paper was the Victoria *Times* and the other was the Vancouver *Province*. My third witness is the Vancouver *Sun* of Sunday, November 10, which had this to say under the heading "Coldwell Panicking, Declares Bennett."

Coldwell fired his broadside during a meeting in Vancouver Friday night.

Premier Bennett denied flatly that his government is "steeped in racial prejudice."

"This statement is not true," he said.

The *Colonist*, which is another Victoria paper, on November 11, under an article headed "Bennett Fails To Get Apology", had this to say:

Premier W. A. C. Bennett failed to receive last night the public apology he has demanded from M. J. Coldwell, national C.C.F. leader, for a reported statement that B.C.'s new government was "steeped in racial prejudice."

In fact last night's Courtenay, V.I., speech by Mr. Coldwell, may have given the premier more incentive for demanding apologies.

The C.C.F. Leader told an audience in the Native Sons hall he had no intention of apologizing to Premier Bennett "or anyone else" for anything he might have said on his western speaking tour.

"I did not call the Social Credit party fascists," Mr. Coldwell said, "But I did say the Social Credit party, throughout its history, has dictatorial attributes, shown undemocratic tendencies, and through its leader, has displayed anti-semitism and racial discrimination."

"I can tell you also that Sir Oswald Mosley's group and the British Social Credit party have the same address in London," he said.

Mr. Coldwell: That is right.

Mr. Low: "Same address in London." We will go on to the next clipping, which is taken from the Victoria *Times* of Tuesday, November 12. It had this to say under an article headed "Coldwell Charges Repeated Here."

C.C.F. Leader Refuses Apology to Bennett; Says Socreds Preach "Racial Antagonism".

Speaking to a capacity audience of 600 at the Crystal Garden Tuesday night, C.C.F. leader M. J. Coldwell repeated his refusal to offer any apology to Premier W. A. C. Bennett for his reported remarks that the B.C. government is "steeped in racial prejudice."

Mr. Coldwell said he was misquoted.

"My remarks," he said, "were made not with regard to Premier Bennett's cabinet but to his party." He said that the Social Credit party has preached racial antagonism and racial hatred both in B.C. and elsewhere.

Mr. Coldwell quoted from a copy of a broadcast made by Social Credit leader Solon Low over the C.B.C. in December 1946. Mr. Low, he charged, said: "Do you know that the same group of international gangsters is responsible for the hungry thirties, the financing of Hitler, the promotion of world war II . . . they are international communists, international financiers and international zionism . . . blame it on the Jews".

[Mr. Low.]

That is an absolute distortion of the thing which I did say, as I shall show a little later on. I shall read into the record exactly what I said.

Mr. Coldwell: I gave the reporter the document from which I read. I said: "There it is".

Mr. Fair: Is that type of thing permitted in the house?

Mr. Low: The report of the statement made by the leader of the C.C.F. shows a distortion of what I did say. I shall read into the record later from the speech which I made on December 28, 1946. Under date of November 12 the Vancouver *Sun* reports:

Coldwell Hit Again By Bennett

The running battle between Premier W. A. C. Bennett and national C.C.F. leader M. J. Coldwell continued today when the premier charged Coldwell was "dodging the issue" by refusing to apologize and evading his own previous statements.

Coldwell was quoted as saying in Vancouver last week that the new provincial government is "steeped in racial prejudices" and "dangerous to social progress".

Premier Bennett called immediately for an apology.

Coldwell speaking subsequently in Courtenay and Victoria flatly refused to make an apology.

Then it goes on to state some of the things that have been stated which I shall not bother the house with right now. Then the article continues:

Evades Issue

"While differing with his political views, I had always looked on Mr. Coldwell as a fair-minded man and I'm at a loss to understand why, when called upon either to explain his statement or apologize, he completely evades the issue and his own previous statement, and instead makes reference to the Social Credit movement elsewhere," he said.

Premier Bennett said he was confident that Premier Manning and other Social Crediters named by Coldwell "are well able to answer for themselves".

"I call again on Mr. Coldwell, before he leaves our province, either to name the members of my cabinet to which he refers or to apologize to the people of British Columbia," said the premier.

There were no apologies whatever. The thing went on for several days. I should like to mention that that is one thing that should be considered when we are facing this whole issue. This is one of the things by which we will have to judge his credibility.

In the second place, he was angry when he said these things. He scolded the C.C.F. in British Columbia for casting some second choice votes for Social Credit, just as if it was not their right to do so. They had the right to vote as they pleased. He was also bad tempered about the whole thing, particularly over the failure of the C.C.F. to win the government. It was only natural that he would vent that bad temper on the people who stood in the way of the final realization of his dream.

There was anger and disappointment at the fact that the people of British Columbia had indicated that they did not want socialism. That is to be understood. The third thing which should be considered in judging the credibility of the witness, and I think this casts serious doubt upon his credibility, is that he and his colleagues have continued as long as I can remember the C.C.F., ever since they came into existence in Canada, to stir up class hatred and to blame private enterprise and capitalists and capitalism for everything that goes wrong. That in itself is one thing that casts doubt upon his credibility. I think impartial judges will be hesitant to attach much credibility to a person who would make the kind of strong and unqualified charges which the leader of the C.C.F. made on such flimsy and distorted evidence.

I say to hon. members of this house that he must think the people of the country are very gullible if he thinks they are ready to accept as proof the far-fetched stuff he had with him on his election journey into British Columbia, or even what he has presented here today.

The question we have to face at the moment is this. What were the charges he made and which I complained of two weeks ago in this house? He said that the British Columbia Social Credit group was steeped in racial prejudice. His second complaint was that Solon Low, the leader of the Social Credit party, had displayed and preached anti-semitism and racial discrimination. Third, that Premier Ernest Manning of Alberta had attacked the worth of the secret ballot. Fourth, that the Social Credit movement itself is steeped in racial prejudice, anti-semitism and racialism of all kinds.

As I said on the day I raised this matter in the house, these are serious charges and should not be taken lightly. If the C.C.F. leader sought to gain sympathy in the house this afternoon by stating that I attacked him, let the house be aware of the fact that an attack came from him in a place where I could not answer it. That is the fact of the matter. I am sure that the people, knowing that, will not extend too much sympathy to the hon. member when he claims he was attacked.

I say further, as I said at the time, that the charges just simply do not make sense in the light of the way in which we Social Crediters have conducted ourselves over the years, in the way we have lived and in the way we have treated people in the process of living. The leader of the C.C.F. can look through the files of *Hansard* or newpaper reports or anything else and he will not find that on any more than one or two occasions have any more than one or two of our members ever so much as mentioned the name of a Jew, and it was not for the purpose of holding him up to derision in any respect.

An hon. Member: As Jews.

Mr. Low: As Jews, certainly not. We have tried to live in harmony with our fellow men and to deal constantly, as the record will bear out, with the great issues that face the Canadian people and the people of the world generally. Therefore it seems a pity that the leader of the C.C.F. should spend his time in vicious attack or whipping up hysteria with fabricated and false charges rather than trying to show the Canadian people what solutions he has to offer for the terrible problems that face them and for the terrible afflictions under which they now suffer.

The kind of gossip, and that is about all you can call it, in which the leader of the C.C.F. indulges out on the hustings is something that you would scold a child for, particularly if it was indulged in by a public school child. But it becomes contemptible when it is indulged in by what are supposed to be grown-up men.

When we consider the evidence we must ask: What is anti-semitism? I think hon. members of the house ought to give some thought to that question. The leader of the C.C.F. did not define the term at all because what he wants the people of this country to believe is that anti-semitism means simply being against the Jews, holding them up to contempt or ridicule, whipping up a pogrom against them or something of the kind. Actually, anti-semitism means being opposed to any or all of those people who are descendants of Shem. That would include the British people, the United States people, the Jewish people, the Arabs and perhaps others.

An hon. Member: And Canadians.

Mr. Low: Yes, it would include Canadians. Actually anti-semitism as it has come to be applied to things of this world means just exactly that.

An hon. Member: Don't apologize.

Mr. Low: I am not.

An hon. Member: You are apologizing now.

Mr. Low: Will the hon. member for—

An hon. Member: What about Freemasons?

Mr. Low: I do not know anything about Freemasons.

An hon. Member: I do not think you would.

Mr. Low: I have never said anything against them.

An hon. Member: If you knew anything about them you would not even mention them.

Mr. Low: I think what the leader of the C.C.F. and his colleagues have in mind when they charge anti-semitism is that we are attempting, with intent to do harm, to hold up the Jewish race to ridicule or perhaps incite acts of persecution against them. If that is not right then I wish the leader of the C.C.F. would put me right.

Mr. Coldwell: If the hon. member wishes me to do that I would say that I think that the statements made from the records I quoted here speak for themselves.

Mr. Low: Well, Mr. Speaker, having given the definition of anti-semitism let us proceed. Let us look at one other point. It is one thing to mention a person by name. For instance, I have heard people right in this house mention one of our colleagues who sat to our left some years ago as "Fred Rose, the communist", but it just happened that Fred Rose was a Jew. If someone in the house or outside of it should say, "Well, Fred Rose got what was coming to him. He was a communist. He should have got fourteen years", or something of that kind, I ask the question: On that evidence would you be prepared to condemn the speaker as anti-semitic? Just stop and think about it for a moment. What was the intent? I say to you, Mr. Speaker, that is something you have to keep in mind as you look at this whole question. What is the intent?

I say that the leader of the C.C.F. (Mr. Coldwell) has not proved one single thing about intent, not one thing, and on that basis I say to you his whole case is null and void. If one is to be proved guilty of anti-semitism in the sense in which I have just defined it—and I think there is no other definition that can be justly used—or of racialism, then in the sense the C.C.F. use the term it must be necessary to prove that the intention is to stir up hatred against a particular race or to incite overt acts of hostility. The flimsy evidence submitted by the C.C.F. leader does not begin to establish anything of that kind whatsoever. I know in my own case that if I have ever mentioned the name of a Jew, a Frenchman, a Scotsman, a Chinese or any other individual the intent certainly was not to stir up hatred against his race, and I reserve the right at any time to mention the name of any man of any race if I feel there is something to be said against or about his actions.

The leader of the C.C.F., because in the house two weeks ago I raised the question of what he had been saying on the hustings, would have just as much reason to call me a religious bigot for attacking someone who belongs, let us say, to the Anglican faith as he would have to claim that we are anti-semitic simply from the fact that some members of our group have mentioned the names of Jews. If childish charges of the kind made by the C.C.F. leader can be established as easily as he thinks they can, then he himself might well be charged with religious bigotry and persecution on the ground of his personal attacks on me. I do not look upon what he has said in that way at all, because I would not stoop to that sort of pre-adolescent behaviour for any political advantage that could come to me.

Mr. Coldwell: Holier than thou.

Mr. Low: The technique used today by the C.C.F. leader, by which he strained to prove guilty me and the Social Credit movement, which I have the honour to lead, was first of all to try to prove guilty some of the people who were formerly associated with us. I wonder what the C.C.F. leader would say if we tried to brand his whole party with being unpatriotic pikers on the sole ground that in 1939 the founder of his movement, Mr. Woodsworth, said these words, as recorded in *Hansard* of September 8, 1939, page 47:

> We laud the courage of those boys who go to the front; yes, I have boys of my own, and I hope they are not cowards, but if any of those boys, not from cowardice but really through belief, is willing to take his stand on this matter and, if necessary, to face a concentration camp or a firing squad, I shall be more proud of that boy than if he enlisted for the war.

I merely ask the question. I am not going to attack Mr. Woodsworth for one second. I am not going to attack those who follow him here today as being unpatriotic pikers simply because their leader at that time said that sort of thing. But that is exactly the kind of charge the C.C.F. leader makes against us when he quotes Major C. H. Douglas, the founder of the Social Credit movement, and says that because he has said something about Jews therefore it must brand our whole movement as anti-semitic. I think that is childish.

Mr. Coldwell: That is not what I said.

Mr. Low: That is exactly what you said, and I will say something further. I wonder if he would be prepared to accept for his whole party the implications of what Mr. Rodney Young, one of his party members, said in the debate on the North Atlantic treaty in the house on April 29, 1949. I should like to ask him about that. If there was ever a communist speech made in this house that was it. It is to be found at page 2795 of *Hansard* for April 29, 1949. Is he

prepared to accept for his whole group the implications of that speech?

Mr. Coldwell: No, I do not. I used your own speech.

Mr. Low: Certainly not. Therefore you have no right to use similar tactics.

Mr. Coldwell: I used your own speech.

Mr. Low: I will deal with that.

Mr. Coldwell: Your own speech.

Mr. Low: I will deal with that. I will come to my own speech eventually, but let me make my case.

Mr. Speaker: Order.

Mr. Low: You see, Mr. Speaker, when things begin to hurt these people will not give you a chance.

Mr. Coldwell: Oh yes, we will.

Mr. Low: I also wonder whether the leader of the C.C.F. party and his colleagues in the house are prepared to accept for the whole C.C.F. movement the implications of what was said in Calgary back in 1943 by one Harold Winch, for whom the leader of the C.C.F. was campaigning in British Columbia, when he said the things he did about me and the Social Credit movement in order to try to elect the said Winch as premier of British Columbia. Let me ask him if he is prepared to accept the implications of these interesting words—and I quote from the Calgary *Herald* of November 11, 1943:

> Use of force is advocated by C.C.F. coast leader. Harold Winch, C.C.F. leader in the British Columbia legislature, made another speech in this city on Tuesday evening, and his remarks on this occasion synchronized with many of his previous utterances. Mr. Winch steps boldly on ground where Mr. J. H. Coldwell—

I think the initials are wrong but that is the way it reads.

> —his national party leader, treads gingerly. The latter is trying to be all things to all men until he gets into power. Mr. Winch blurts the truth out. He declares that force, and lots of it, will be used to apply a socialist regime in this country once his party is elected to power at Ottawa. He likes the word "revolution". It rolls off his tongue with great frequency and it does not mean "evolution".
>
> In speaking on "The Shape of Things to Come", this third party leader from the coast left no one under a false impression as to his ideas and what he favours. He is not a pussy-footer but a zealot after the pattern of Herr Hitler. It is evident that he has studied how the Fuehrer beat down all opposition on his way to supreme power. Ruthlessness and impatience with opposition stand out in all the Winch utterances.
>
> Once in power, he told his Calgary audience, the C.C.F. government would get action at any cost, even at the cost of overthrowing free institutions. As for the B.N.A. Act, which embodies the Canadian constitution, he told a questioner that he would scrap it and mould it nearer to the C.C.F. heart's desires. Hitler made similar threats away back in 1933 and later.

This is the part I want to emphasize.

> Mr. Winch declared that if and when his party assumes power at Ottawa it will institute socialism immediately and use the country's police and military forces to enforce its will against all who opposed the law.

Then there is another article concerning the same gentleman in the Calgary *Herald* of the same date. The heading is, "Time for Revolt says C.C.F. Leader." The article reads as follows:

> Harold Winch tells audience here change is coming in Canada "peacefully or not"
>
> Politically and economically, a change is coming in Canada and it is coming "peacefully or not". Harold Winch, C.C.F. member of the British Columbia legislature for Vancouver, barked out this threat last night in answer to a question asked by a member of his audience in Memorial Hall where he made a speech on "the shape of things to come".

Now, I just ask you, Mr. Speaker, will the C.C.F. allow us or anyone else, without very serious complaint and without fighting back, to brand their whole movement as fascist or communist simply because a member, an unthinking and runaway member of their group, made a statement like that back in 1943?

Mr. Coldwell: In your own speeches.

An hon. Member: It is a long time.

Mr. Low: I would like to know if the C.C.F. are prepared to accept this for their whole party:

> People shout at us that this is socialism, bolshevism. Maybe it is. What of it?

That is a statement made by their own founder and leader as reported in the Border Cities *Star* on December 12, 1932. Are they prepared now to accept the implications of that for the whole party?

Well, I think perhaps it might be wise to bring them down just a little closer to the present time. I heard an interesting speech in this house yesterday, I think, by the hon. member for Moose Jaw (Mr. Thatcher) and I am going to ask the C.C.F. leader if his group is prepared to accept the implications of what the hon. member said when he referred to corporation and business taxation. Does that reflect the policy of the C.C.F.?

Mr. Coldwell: You have asked the question and I will answer it. Certainly it does not reflect the views of our party.

Mr. Low: All right.

Mr. Coldwell: I say no at this time.

Mr. Low: Ninety-nine and nine-tenths per cent of what the leader of the C.C.F. had to say was based on evidence of that kind.

Mr. Coldwell: No, it was not.

Mr. Low: It was. I know that the leader of the C.C.F. would not allow me to place those implications on his party without protest. I know that he would brand us as distortionists if we tried to make that type of accusation on evidence which I say is just as flimsy and no more relevant than when they try to brand me and the whole movement as anti-semitic because he finds that someone at some time associated with us said something about a Jew. That, of course, is utterly childish, and it is beyond belief that a grown man would allow himself to be activated by such a thing.

There were one or two other things, Mr. Speaker, which the hon. gentleman said to which I would like to refer. I cannot reply to all of them because sufficient time is not mine at the moment; but I will have time, as this is only a beginning. I will take time and, if the house wants some entertainment, we will have it. Before calling it six o'clock, I would say this. The leader of the C.C.F. referred to a broadcast which I made on December 18, 1946, and that is the only evidence he had upon which to accuse me of being anti-semitic.

Mr. Coldwell: And your speeches in the house.

Mr. Low: This was a radio broadcast given over the C.B.C. network on the evening of December 18, 1946, and is what I had to say in summing up the whole situation that obtained in Canada at the time of the espionage trials and the revelations that were made in this house regarding espionage. I quoted a number of very interesting things that had been going on, saying that it placed Canada and the commonwealth, including Great Britain, in grave danger. I am not going to take just a little piece out of the context, as the leader of the C.C.F. is so fond of doing and trying to make it appear something that it is not, so I will read you the context of what I said at the end:

> Now, fellow Canadians, how could such a state of affairs have developed in Canada unless men in high places were favourable to this treason-mongering? Why is it that the publications of the commission's findings have been practically ignored?
>
> Why is it that Zaroubin, the Soviet ambassador, who by his conduct violated the recognized code of diplomatic relations, was withdrawn from Canada, promoted and appointed as ambassador to Great Britain by his Soviet masters; and—this is the incredible part of it—accepted by the British government without any protest being voiced by the Canadian government? Does that not indicate to you that there are very powerful forces at work?

[Mr. Low.]

I suppose my hon. friend will try to make it appear, when I mentioned Zaroubin, that I thought he was a Jew.

> Do you know that the same group of international gangsters who are today scheming for world revolution are the same people who promoted the world war? Do you know that these same men promoted and financed the Russian revolution? Are you aware that these arch-criminals were responsible for the economic chaos and suffering of the hungry thirties, for financing Hitler to power, for promoting world war II with its tragic carnage? Do you know that there is a close tie-up between international communism, international finance, and international political zionism?

There ends the quotation, Mr. Speaker, and there is not one word about Jews.

Some hon. Members: Oh, oh.

Mr. Low: Well, Mr. Speaker, how long has it been since the people of Canada cannot discuss a policy without having minds try to distort it into meaning that they are whipping up hatred against a race?

International communism is a policy, a movement; international finance is a policy, a movement; international political zionism is a policy, a movement; and I was opposed to all three at that time. I linked them together because there was plenty of evidence—and I have that evidence and can produce it at the proper time—

Mr. Coldwell: The time is now.

Mr. Low: These three great movements had deliberately plotted to destroy Britain's attempts to exercise the mandate in Israel as she was supposed to. They had made it impossible for her to go on, and were determined to destroy Britain's strength and to achieve their aims by revolutionary methods, by what I believed and still believe to be methods which would place this world in jeopardy of war. That is why I denounced them. I did not have any intention whatever of branding Jews.

I want to say this, Mr. Speaker, and I hope you will grant me this one privilege. Surely it is evident to anybody who has done any studying or thinking at all that when a person mentions international political zionism it includes far more adherents than Jews. International political zionism has adherents and has had adherents all over the world—many of them Scotsmen, many of them Englishmen, many of them Americans—

Some hon. Members: Oh, oh.

Mr. Low: Certainly, and I can name some of them right in this country.

Some hon. Members: Name them.

Mr. Low: Mr. Speaker, I intend to follow this up and complete my case at another time.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, when one intervenes for the second time in a debate I feel that perhaps a word of explanation or even apology is necessary. My apology is that I wish to refer to an incident which, though it concerns one individual primarily, I think concerns us all because I firmly believe it is a matter where gross injustice has been done through political interference. I refer to the case of Robert Pitt of the Fort Garry hotel, Winnipeg. I shall try now to satisfy the house that what I have said is true, and that no reasonable man can come to any other conclusion on an examination of the facts.

Mr. Pitt himself has kept silent; therefore I am confined entirely to and I rely entirely on what has appeared in the press. I believe everything I shall quote from the press is from the Winnipeg *Tribune*. I believe there are a lot of people in this house who are in a position to say—though the *Tribune* does not need any endorsement of this kind—of their own knowledge that what the *Tribune* says is true.

On September 10 last the Prime Minister (Mr. St. Laurent) and a party visited the Fort Garry hotel. Approximately two months later the manager of the hotel, an old and valued servant of the Canadian National hotel system, was sent from the Fort Garry hotel in Winnipeg to the Prince Edward hotel in Brandon. Now, it is interesting that the report which appeared in the *Tribune* was brought to that newspaper through the instrumentality of the hotel workers. The phrase used by the *Tribune* is that a spokesman for the Fort Garry hotel employees gave them the information which they set out. I think that has special significance. I shall have other things to say to indicate the quality of Mr. Pitt, but I think it is of some significance that the men who had worked under him—incidentally it is pointed out that he had substantially reduced the staff of the hotel, so it looks as if he had perhaps not always done things that the union wanted him to do—give this account which is produced by the *Tribune*.

I should add that this was not a formal statement on behalf of the union. Lest I forget later, I might read here what the union said on that point. Officials of the union denied that their organization charged that there was political interference in Mr. Pitt's demotion. This is what they say:

> Although staff members intended protesting the C.N.R. decision, even though it is a managerial problem, they now feel the airing of the situation in the *Tribune* makes this move unnecessary.

I read from a report in the *Tribune*, which is dated November 13:

> But hotel employees today listed two specific incidents for which they allege Mr. Pitt was called on the carpet.

The first is "that the Prime Minister and his party were not properly received at the hotel rotunda". This newspaper explains the scene exactly as it happened, and I think it is very easy for us to picture that. I quote again from the newspaper:

> At the time the party entered the hotel, Mr. St. Laurent was surrounded by a group of young Liberals who had met him at the C.N.R. station at 11 a.m. They headed directly for the elevator through the crowded lobby, making it difficult for Mr. Pitt, who was standing in the lobby, to approach and welcome the Prime Minister.

Now then, the second complaint is "that there were no rooms immediately available for all the members of the party". Reservations had been requested the previous day.

I do not know which of these two complaints is the most trivial and childish. I think we can picture the scene; the Prime Minister entering the hotel and being surrounded by his supporters, of which he has no doubt a considerable number in Winnipeg. They surrounded him and were with him until he took the elevator to go to his quarters.

The only possible way one could imagine any failure on Mr. Pitt's part, the only thing I can suggest is in itself a nonsensical thing. The complaint apparently might be that Mr. Pitt did not force his way through the group in order to present himself to the Prime Minister; a sort of bucking the line technique.

The second complaint is perhaps of a slightly stronger character. It was that there were no rooms immediately available for all members of the party. Here perhaps we find something which we can understand better. Here we may find some very important personages, at least in their own minds, who take themselves very seriously and who may have fancied that they had not been treated with all the deference to which they considered themselves entitled. The report makes it clear that the reservations had been requested only the day before. In a busy hotel like this, we all know you cannot always count on getting your reservations on such short notice. I can only imagine some of these people, as I say, were aggrieved. It is stated, as I shall point out later, that the

complaints which these people made did not come from the Prime Minister. I should think this sort of thing would interest him less than most people, but the complaints came from people on his staff.

Shakespeare has words for it:

> But man, proud man,
> Drest in a little brief authority,
> Most ignorant of what he's most assured, . . .
> Plays such fantastic tricks before high heaven
> As make the angels weep.

There you have this picture in Winnipeg on September 10. Two months later comes the word to Mr. Pitt that he is to go to the Prince Edward hotel in Brandon.

I now want to draw your attention for a moment, Mr. Speaker, to this man's career in the hotel business, in the employment of the Canadian National hotels. He was the manager of the Nova Scotian at Halifax from December 8, 1931 to November 1, 1941, practically ten years. I am reading now from the answer I received from the Department of Transport. Then he went into the army and was in the army for several years, in the armoured corps—losing his eye, incidentally, during the war—but came back, was able to resume his duties and was manager of the Bessborough at Saskatoon from August 15, 1946 to July 12, 1951 when he was transferred to the Fort Garry. Does anyone imagine that a man who had served for that length of time in that capacity would not know how to treat a Prime Minister or would not know how to treat appropriately the other people who were with the Prime Minister? Of all the requirements that a hotel manager must meet, I suggest that probably that the proper treatment of his guests stands out above all the rest.

Are we to assume that this man, with this experience, who is taken back after his army service and who goes from one large hotel to another; are we to believe for one moment that these childish suggestions could apply to him? I cannot believe that. I do not think anyone in this house can believe it. Nevertheless according to this record which, as I say, came from the labour people, he was demoted for that reason. I regret to say that the president of the Canadian National Railways gave a different reason. I regret that Mr. Gordon, for whom I have immense respect, gave this reason because I cannot accept it and I do not believe anyone in this house can accept it. What he says is this:

> Changes in management affecting several hotels follow normal reviews of hotel operations that are carried out by the general manager of hotels.

[Mr. Macdonnell (Greenwood).]

In other words we are apparently asked to believe that this man who had been manager of the Nova Scotian hotel, with 150 rooms, for 10 years—

Mr. Howe: He was never manager of the Nova Scotian hotel.*

Mr. Macdonnell (Greenwood): I am reading now from the answer I received from the Department of Transport, which one likes to assume is correct.

Mr. Ross (Souris): Or partially correct, anyway.

Mr. Macdonnell (Greenwood): I read:

> He was manager of the Nova Scotian at Halifax from December 8, 1931 to November 1, 1941.

If that is wrong I wish the Acting Prime Minister (Mr. Howe) would tell the Department of Transport that it is wrong.

Mr. Howe: I will speak about this matter a little bit later.

Mr. Macdonnell (Greenwood): All right. He was manager of the Nova Scotian, according to the Department of Transport, for 10 years, leaving it to go into the army. He then went to the Bessborough hotel, a hotel with 260 rooms; and according to the Department of Transport—which apparently may be wrong—he was appointed on August 15, 1946, and there is nothing to indicate that there was any gap there. From this I assume that, when he went, on July 12, 1951, to the Fort Garry, he went from the Bessborough.

An hon. Member: How many rooms has the Bessborough?

Mr. Macdonnell (Greenwood): The Bessborough has 260 rooms; and he is now sent from a hotel with 260 rooms to a hotel with 80 rooms. Yet we are asked to believe that this is normal procedure. If it is normal procedure, all I can suggest is that the Canadian National Railways business is carried on in an abnormal way, something which I do not believe. It is no wonder that the Winnipeg *Tribune* reports as follows:

> Of those contacted by the *Tribune* today—

That was November 14.

> —none accepted C.N.R. president Donald Gordon's explanation of Mr. Pitt's transfer to a lesser post, which was announced on Wednesday.

I do not wonder that nobody accepted it, because no reasonable men would accept it.

I wish now to refer briefly to the answers I received from the Department of Transport to the questions which I asked. The first one to which I wish to refer is this. I am not reading all the answers because some of them are just references to the

**See amended statement on page 579.

facts of his service with the railway company. However, I asked this question:

Had there been any complaint regarding his work there?

That was at the Fort Garry hotel. The answer is "Yes". I believe that is an unworthy answer, because there is a great deal of evidence—and I shall read some of it in a moment—to show that he was a highly efficient man. The fact that he held these various appointments showed that during all those years the railway certainly thought that he was efficient. I believe this answer is either inaccurate or that it refers to some very trivial matter. Of course it is conceivable that it refers to the complaint to which I am taking objection. It is conceivable that it refers to this complaint which was made following September 10. But on that matter I think we are certainly entitled to know more. I do not believe any complaint worthy of the name was made with regard to him. As I say, the evidence of his record in the hotels is all against it.

The second question I asked was whether his salary had been reduced when he was sent to a smaller hotel, and the answer was no. I also asked what had been the salary of the previous manager and that information was refused. That is an interesting question because if, in fact, the Canadian National Railways business is carried on in such a way that the manager of a rather small hotel with 80 rooms gets the same salary as does the manager of one of the company's largest hotels in a western metropolis, with about three times as many rooms, then all I can say is that it is a curious way to carry on business; and I shall be greatly surprised if that is indeed the way business is carried on. I should be interested to know the answer—for I did not get an answer to this question as to what the previous manager's salary was—and whether it would not have shown that it was lower.

That thought raises in my mind this question, and it must raise it in the mind of every man in the house. If it is a fact—which I surmise, from just looking at the situation—that he was sent to a smaller hotel with the same salary which he would not ordinarily have got, then it looks to me as though there may have been a twinge of conscience and that after treating him in this disgraceful manner, in order to alleviate the matter a bit he was left on the same salary. That is surmised; nevertheless I think any reasonable man would make that surmise on the facts as I have brought them forward.

The other question I asked and that I wish to refer to was this:

Was any complaint, verbal or written, regarding any incident at the Fort Garry hotel during the Prime Minister's visit on September 10 last, made to the railway or hotel management or to the Department of Transport, or to any representative of any of the foregoing by or on behalf of the Prime Minister or of any one of those who were accompanying him at Winnipeg on September 10 last?

The answer to that question appeared in rather a curious form. When I first received it, I took from it a meaning that, on further study, I think perhaps was not intended. I have read the question to you. It was not split up in any way. It was one question, just numbered "3". The answer goes like this:

3. No.

Then below that is written:

In so far as the Department of Transport is concerned:

And below that again is written:

3. No.

When I got that first I thought what it meant was that the Department of Transport was answering only for itself, and it was giving no answer as regards the railway company. But it has been suggested to me—and I think it accords with what Mr. Gordon himself has said, and I shall refer to that later—that that first "no" was intended to be a general "no" affecting my whole question. At any rate the matter is not of very great importance because Mr. Gordon has given a separate answer in which he says:

No complaint has been made either by the Prime Minister or on his behalf in respect to his recent visit at the Fort Garry.

These are Mr. Gordon's own words. If this matter is to be left here I submit, Mr. Speaker, that it leaves us all in a very unfortunate position. I believe that these answers have been given without a full knowledge of the facts. I do not believe it is possible to survey what has happened and to believe that what happened on November 12 or thereabouts had nothing to do with what happened on September 10, and I hope no one will try to say that was the case.

Some ingenious person makes a point regarding Mr. Gordon's statement which I have just read, and here I quote again from the *Tribune*. After saying that the hotel staff members emphasized that the complaints were not laid by Mr. St. Laurent, but by one or more members of his party, it goes on to say:

Gordon did not mention complaints by other members of the Prime Minister's party, which were reported by *Tribune* local and Ottawa sources.

In other words, the suggestion is that Mr. Gordon's denial covered only the Prime Minister, but made no denial in so far as the members of the party were concerned. I will read it again:

> No complaint has been made either by the Prime Minister or on his behalf in respect to his recent visit at the Fort Garry.

I think this was intended to cover the members of the party. Where does that leave us, Mr. Speaker? I suggest that no sane man will doubt that these two incidents were connected. To assume the opposite is to assume that the management of the Canadian National hotels are taking leave of their senses. It is to assume that an unworthy man, a man who did not know how to greet the Prime Minister, a man who did not know how to show proper consideration for the people who were travelling with the Prime Minister, was kept in the service of the company all these years and promoted from time to time.

I want to point out that the suggestion that he was in any way inefficient is contradicted in the strongest manner by the guests in the hotel themselves. I read again from the *Tribune*:

> Permanent guests contacted today said they had no complaints about service which would reflect on Mr. Pitt's management.
>
> All praised him as a valuable asset to the hotel. Said one guest: "I have been here 12 years. I have never met a finer man. He is the essence of refinement and does his best for everyone, always. We feel very badly about the situation."

As I say, to assume that these two events are not connected is just to assume that we are living in a world of unreason where two and two do not make four. It is no wonder that the *Tribune* asks the following question in an editorial on November 13:

> The *Tribune's* report of the dismissal of Robert S. Pitt from his position as manager of the Fort Garry hotel, and his subsequent transfer to Brandon, is chiefly important because of the one big question it raises in the public mind: Is there political interference in the management of the C.N.R. or its hotel system on the part of government functionaries close to the Prime Minister?

Then later:

> Was Mr. Pitt given any kind of a fair trial? Were the complaints against him and his hotel investigated? There is no evidence that we have been able to uncover that the answer is in the affirmative to either of these questions. Rather, the answer seems to be that the hotel manager was removed from his job without proper investigation because someone in the government or close to the government had thundered. It will be a bad state of affairs for the Canadian National Railways if it is saddled with government interference in management.

I want to ask you, Mr. Speaker, how this kind of thing can happen. We are not that kind of people. In this house we differ on many things, but I would say that this house has a sense of fairness, and I believe that if all members were free to express their opinion they would agree with me that this is an obvious case of outrageous injustice. It is not possible to reach any other conclusion but that directly or indirectly there was pressure. That is what the *Tribune* says, and that is what I believe. We are not that kind of people. How does this kind of thing arise? I think it is clear that is arises when people have too much power for too long. They just begin to take themselves too seriously; they begin to throw their weight around. This is a lamentable situation, a distortion of the ordinary sense of fairness of the ordinary Canadian, just because he has got to the state where he is, I believe, throwing his weight about and taking himself too seriously.

This whole matter is far bigger than the Fort Garry hotel and Mr. Pitt. It raises the whole question not only of the Canadian National but of the use of power. I hope there will be such widespread indignation arise out of this that it will not be able to be hushed up, that it will be dealt with and that justice will be done. I hope the Legion will come to the rescue of this excellent officer. I hope the union, which has already earned our gratitude by bringing this matter out into the public, will press it; and I hope every fair-minded man will press it to the point that reparation is made, and made now, not months from now, when it is slithered into and nobody is looking, and there is no real reparation of the injustice because the man is still left under a cloud.

And finally, I put it up to the Prime Minister who was there. He, I believe, would have no patience with this kind of thing. I put it up to the Prime Minister that here is a case of injustice that should be remedied, not at some time remote from now, but now; and not in any hole in the corner fashion but in the open, so that everybody knows what has been done.

Right Hon. C. D. Howe (Acting Prime Minister): I had not intended to take part in this debate. I do so only because of the speech that has just been made, and for an important reason. For a great many years—for many more years than I have been in the House of Commons—it has been the accepted principle in this chamber that there shall be no interference with the internal management of the Canadian National Railways. I think anyone who has been here as long as I have will say that never in his experience in this House of Commons has there been such a speech made about a man not a public servant but a servant of the Canadian

National Railways. However, that has been done by the last speaker, and my hon. friend must take the responsibility.

Mr. Macdonnell (Greenwood): I will take it.

Mr. Howe: Let us see what facts he bases it on. He does not know anything about the case—he admits that—except what he reads in the press.

Mr. Macdonnell (Greenwood): I do know it.

Mr. Howe: What is your authority?

Mr. Macdonnell (Greenwood): I said deliberately that I was not repeating conversations; that I was confining myself to what was in the press. I am quite content to rest on what is in the press and leave it there.

Mr. Howe: All he knows is what he reads in the paper. That is a well-known background.

Mr. Macdonnell (Greenwood): You do not even know what is in the papers.

Mr. Howe: I must correct what I said in the heat of the moment. I had forgotten that Mr. Pitt was the manager of the Nova Scotian hotel. I had forgotten that; I would like to correct my interjection immediately.

I do not know anything about Mr. Pitt's ability. I have been in hotels that he has managed; I have never met him at the Fort Garry, and I had not expected to meet him, except by chance. I have been there two or three times since he was manager there. The Prime Minister said exactly what I am saying. When this first became a public issue he said: "I did not meet Mr. Pitt. I did not expect to meet, and did not meet him."

Mr. Macdonnell (Greenwood): It is not the Prime Minister.

Mr. Howe: The Prime Minister was not with the party that arrived the day before. I understand there was some unpleasantness associated with the group that arrived earlier.

Mr. Macdonnell (Greenwood): Why do you believe it if you don't know it?

Mr. Howe: I was told—

Mr. Macdonnell (Greenwood): Why do you believe it?

Mr. Howe: You made your speech, and a very bad speech indeed.

An hon. Member: It was not as bad as yours.

An hon. Member: It was a lot better speech than the one we are listening to.

Mr. Howe: The question that was asked here was answered by the Department of Transport to the extent that these questions are always answered, on the basis of the information available in the Department of Transport.

Mr. Macdonnell (Greenwood): Can the minister contradict anything that was in the *Tribune*?

Mr. Howe: I have not tried to contradict a newspaper. The answer was given as the information in the department would permit.

Mr. Macdonnell (Greenwood): You answer what I said.

Mr. Speaker: Order.

Mr. Howe: My hon. friend does not need to get hysterical. He has committed a very bad blunder and he had just better let it go at that and let me make my few brief remarks. If we accept the principle that has been laid down here tonight—this is the reason I am challenging his position—the movement of any superintendent from one place to another can be debated in this house, and the movement of any hotel manager either up or down can be debated in this house. If anyone thinks the Canadian National Railways can be operated on that principle, I am not one of them. Having said that, that is the only point I wish to make.

Mr. Macdonnell (Greenwood): Not a very good one.

Mr. Howe: I know nothing for or against Mr. Pitt, but I can say that I know enough about the management of every large corporation to know that the remarks made by my hon. friend are not going to help Mr. Pitt very much in the service in which he is employed, which is not the service of the Canadian government.

An hon. Member: We expected that from you.

Some hon. Members: Oh, oh.

Mr. Macdonnell (Greenwood): Is that a threat?

Mr. Howe: I have no part in or authority over the management of the Canadian National.

An hon. Member: That is the big stick.

An hon. Member: We thought you would do it.

Mr. Howe: Even the hon. member for Lambton West (Mr. Murphy) has intelligence enough to know the fact about which I have commented.

An hon. Member: That is going some. Thank you very much.

Mr. Howe: That is the highest compliment I could ever pay him; he has just about that intelligence. The point I am making is that we have had tonight a deliberate attempt to interfere with the internal management of the Canadian National Railways under the guise of doing some good to someone. My hon. friend admits that he knows nothing except what he has read in the papers. I am willing to accept his statement in that behalf, that he is talking about something of which he has no firsthand knowledge and of which I have no firsthand knowledge. Any insinuation that the Prime Minister (Mr. St. Laurent) or anyone on his behalf made any representations for or against Mr. Pitt I deny on the authority of the Prime Minister, who told me that that is the fact.

Mr. J. H. Dickey (Parliamentary Assistant to the Minister of Defence Production): Mr. Speaker, in entering the debate at this time it is not with any intention of making a detailed report on the defence production program. It is both more convenient and more proper that such details be made available to hon. members through the report of the Department of Defence Production for the current fiscal year, through the special committee on defence expenditures, or when the estimates of the department are being considered by the house. On the other hand, it is approximately six months since the right hon. Minister of Defence Production (Mr. Howe) spoke last in this house regarding this program and there have been significant developments since that time. These have occurred both in the field of raw materials and in our actual production and procurement programs.

Most hon. members will be aware that in recent months there has been a distinct improvement in the world supply of raw materials. Evidence of this is the fact that in the last six months the international materials conference has felt that the situation permitted them to disband the committees on pulp and paper, on wool, on cotton and on cotton linters. Furthermore they have decided that it will no longer be necessary to recommend the allocation of cobalt, tungsten and zinc.

Here in Canada we have continued our policy of releasing controls just as quickly as possible. On May 26 control orders on lead, zinc and cadmium were lifted. On September 9 the minister announced the sale of the Emerald tungsten mine to Canadian Explorations Limited. During the past year explorations by this company on its own mining claims established substantial additional quantities of tungsten ore, with the result that the Canadian position has eased.

On September 17 the minister also announced that control orders covering copper wire and rods, rod copper and copper alloys and aluminum had been lifted, making it no longer necessary for industry to submit their orders to the department for approval.

Order in council P. C. 4212, dated October 9, 1952, removed pulpwood and newsprint from the list of materials declared essential under the Defence Production Act. Those commodities had been declared essential, not for domestic reasons but in order to permit the government to implement allocations recommended by the international materials conference. When the pulp and paper committee of the international materials conference indicated that the necessity of allocating pulp and paper for strategic purposes no longer existed, the government removed those commodities from the essential list.

By order in council P. C. 4551, dated November 28, most of the chemicals which had been declared essential under the Defence Production Act were removed from that category. This again was initiated because increased production had brought the supply of these materials into balance with demand.

On November 17 the control order on sulphur was revoked. This has been made possible in part by the fact that in recent months the supply of sulphur in the United States has been slightly greater than demand, thus enabling authorities in that country to revoke their control order, and also due to the fact that sulphur-producing facilities recently established in Canada were getting into production.

These decontrol orders have, of course, been announced by the minister as quickly as decisions have been taken. However, I have reviewed them this evening in order to emphasize that the government is in fact implementing its avowed policy to keep the control machinery of this country to the absolute minimum consistent with the requirements of our defence effort. On the other hand, as the world's foremost exporter of many of these materials, we have a serious responsibility to our allies to make the greatest possible contribution to their essential requirements. Consequently we must keep the supply of these strategic materials under constant review, and this will be done.

We shall continue also to encourage increased Canadian production. All that need be said in this connection is that expansion programs undertaken by our major primary producers are progressing satisfactorily.

One of the essential materials over which we have had to exercise control has been steel, but there are now indications of improvement in the steel supply. Our Canadian industry has been producing steadily at

high levels, and steel production in the United States has recovered quickly from last summer's work stoppage.

Last month a new steel finishing mill came into production at Sault Ste. Marie which will give us an additional 250,000 tons of rolled steel products annually. In addition new facilities came into production this week at Hamilton which will add 650,000 tons of steel ingots a year to our present production. However, in spite of this increase in Canadian production the demand for steel is growing steadily, so we expect to maintain our level of imports from the United States, the United Kingdom and other countries.

It has been the policy during the past two years to control production and distribution of steel in order to make sure that direct defence needs were met first, but always with minimum disruption of normal commercial practices. With the prospect of improved supplies in 1953 the Minister of Defence Production (Mr. Howe) now feels justified in revoking, effective December 31 of this year, order SD-2 which prohibits less essential construction. Inventory limitations contained in order SD-1 will also be rescinded effective on the same date.

However, it will still be necessary to exercise control over steel distribution in order to ensure that defence requirements are met. Although we can look forward to continued improvement in general steel supplies during the coming months, it must be emphasized that some specific forms and types of steel probably will be in relatively short supply for some time to come, particularly steel plate and structural steel. Therefore the easing of steel restrictions in accordance with these announcements does not mean that ample supplies will be available immediately for all uses.

May I now turn to the production side of our defence program. As you know, Mr. Speaker, in this period of uncertainty our aim has been threefold; first, to produce the equipment needed to meet our international commitments and to defend our own country; second, to provide the productive facilities required to enable this country to swing into full-scale production should the need arise; and third, to build a strong economy that can supply the raw materials, the plant and equipment needed to sustain the Canadian economy in the event of an all-out war.

In addressing the house last spring the minister pointed out that, in the production of military equipment, the first year of the defence program was a period of preparation and organization, and that in the second year we would see actual deliveries and completed facilities. Although there are still another four months to go in this fiscal year, production has definitely started to roll in all phases of the program. In some parts of the program most of the deliveries have been made. In others volume production is just getting under way. Where items are procured from regular commercial production it is comparatively easy to fill the requirements of the Department of National Defence. Where complicated military weapons of new design are produced, the story naturally is different.

A critical examination of the defence production program indicates that neither government nor industry fully appreciated the complexity of the job of producing to the exacting requirements of modern warfare, requirements which are not less difficult as specifications are constantly varied to take advantage of the newest technological advances. It is now necessary to guard against obsolescence even before production is under way. Canada has no monopoly on these problems. We know that they are showing up in the United States and the United Kingdom. They are no doubt harassing other countries including, we hope, the U.S.S.R.

Part of the problem is that we are working in entirely new fields and often with new materials. The use of jet propulsion in aircraft is something we had never tackled before. Here we have to produce an engine weighing over a ton that is capable of 8,000 revolutions per minute. In shipbuilding more aluminum is being used in place of wood and steel, and this requires the development of new skills and techniques. High stress factors in modern aircraft have necessitated the use of forged components in place of fabricated parts. High tensile castings introduce new and exacting metallurgical requirements. On the precision side we find that whereas during the last war we spoke of tolerances of a thousandth of an inch, today we talk of a ten-thousandth of an inch.

Despite these problems we are making good progress. We have already delivered intricate equipment in some volume to the three armed services. Before the end of this fiscal year there will be a sharp rise in deliveries. It is important to note that much of this production will be flowing from Canadian facilities that did not exist eighteen months ago. All hon. members are aware of the tremendous strides made by Canadian industry during the last war and of the capital expansion that has taken place since that time. This broadening and diversification of our industrial base was invaluable when we started the present defence program. However, because of recent developments in modern armament design, and because we wanted to make more parts and components

in this country, we found that we needed new facilities and new skills to carry out this job. In some cases industry has been able to do this without government assistance. In other cases accelerated depreciation has been granted to take care of some of the risk involved, or we have stepped in and supplied, on the basis of government ownership, the plant or machine tools required.

The establishment of these facilities is a major part of our defence production program. There has been careful examination of the fields in which, for economic or strategic reasons, production in Canada was warranted, and we have then taken steps to ensure that facilities were established not only to meet current requirements but also to take care of accelerated production in an all-out effort.

This evening I want to mention some of these new facilities that are actually in production. The major part of this development has been in the aircraft industry. Two years ago the government purchased a site at Malton and entered into a contract with A. V. Roe for the design and construction of a crown-owned jet engine plant. This plant has now been built. The tools and equipment were obtained partly from the original A. V. Roe plant where the first Orendas were made, but mainly from a variety of sources in stiff competition with aircraft manufacturers of other countries. Much of the equipment had to be specially designed to meet new manufacturing techniques. Not only will this plant meet our immediate requirements, but it is capable of making a valuable contribution to meet expanded production needs. Orenda engines in substantial numbers are now coming off the production line, not only to power the CF-100 but also for the F-86 Sabre, which will greatly improve the performance of that aircraft.

We are now making more of the parts and components for airframes and aero engines than at any time in our history. We have set up a plant that is producing fuel systems for the Orenda, while another is making combustion chambers. We now have plants that are manufacturing blades for jet engines. These blades, which are like small wings, must be forged, machined and finally ground to a tolerance of two-thousandths of an inch. A new Canadian plant is now producing, from a special heat-resisting alloy, castings and rings to be used in the hot end of a jet engine where temperatures reach 1,300 degrees fahrenheit. There were some people who thought we would be unable to produce in Canada the magnesium casting needed for the jet program. These castings are now being turned out in quantity.

The high speeds attainable in jet aircraft have increased the stresses on the airframe and this, together with greater military loads, has increased the weight. To get the highest possible efficiency we have had to go to great lengths to produce refined structures. In the F-86 Sabre the main wing skin is formed from a sheet three-eighths of an inch thick, and we now have equipment in Canada which can machine this sheet in such a way that it tapers in thickness from five-sixteenths to one-sixteenth of an inch over the fifteen feet of its length. This operation is controlled to within three-thousandths of an inch.

We now have other plants that are producing undercarriage components, gear boxes, radomes, propellers, flexible hose assemblies, and filters. All this adds up to a much greater degree of self-sufficiency in our Canadian aircraft industry.

In the shipbuilding field, facilities have been set up to produce gears and naval auxiliary equipment. A new naval turbine plant, as modern as any of its type in the world, is now making complete sets of propulsion machinery for our escort vessels.

In guns and ammunition, most of the developments have been within the various divisions of Canadian Arsenals Limited. As most hon. members know, most of these divisions were kept in a stand-by condition after the second world war. In reactivating these plants we rehabilitated some of the machinery in storage and augmented this with new machine tools where necessary.

Our capacity to produce explosives has been steadily expanding. The de Salaberry plant at Valleyfield has been completely rehabilitated and put into operation by Defence Industries (1951) Limited, a subsidiary of Canadian Industries Limited. About two months ago, as was announced by the minister, Canadian Arsenals took over that plant as a producing unit.

These are some of the new facilities that have been created in the last two years. In some instances it has meant breaking sod and building and equipping new plants. In other cases it has meant the installation of additional machine tools in plants already in production. Since the department was set up in April, 1951, the department has ordered some 4,000 machine tools valued at approximately $35 million. Despite the long lead time on deliveries, over 2,700 of these machines had been installed in Canadian plants by October of this year. This was in addition to the rehabilitated crown-owned tools held in storage since the last war and now allocated to defence industries.

These facilities, now in production, are not only the basis of our preparedness effort but they also form the nucleus of an all-out effort if war is forced upon us. Of equal importance, those facilities will, if international conditions permit, make an important contribution to our over-all economy.

I have been speaking of two aspects of the defence program—the production of weapons and equipment to meet our current needs and the building up of facilities as insurance against an all-out emergency. To keep the over-all program in perspective, I would like to deal briefly with a third part of the program which I mentioned earlier—the importance of a strong economy and a broad industrial base as a defence against possible aggression in the future.

In the last few years we have achieved record levels of production, income and employment. What is particularly significant from a defence standpoint is the economic expansion that has taken place in those segments of the Canadian economy that would bear the brunt of full mobilization. Over-all capital investment has been maintained at a very high rate in very recent years but, since Korea, there has been a definite change in its composition. To meet the demands of defence, we have seen a marked increase in the expansion of basic industrial capacity and a corresponding shift away from investment in consumer goods and services. This means that we are now able to manufacture more iron and steel products; to make more electrical apparatus; and to produce a wider variety of chemical products than we ever could before. We have, at the same time, been building up our power potential and expanding along other lines that would provide the necessary base for large-scale military production.

In the field of international co-operation there has been continued progress in strengthening the defences of the free world. In our relationship with the United States a number of steps have been taken to enable our two countries to co-operate more fully in our joint defence effort. Last February we signed an agreement which simplifies and co-ordinates procedures on defence contracts, and provides a more satisfactory basis on which our two governments can do business. Another agreement on security makes it possible for Canada and the United States to exchange information pertaining to defence production with a minimum of delay and red tape.

The most effective use of the resources of both Canada and the United States is essential to the success of the defence effort. Several months ago, when Canadian orders in the United States were about twice as high as those placed in this country, the minister pointed out that there would be an increase in United States orders and a levelling off in Canadian purchases. This is now taking place. There has been a very marked increase in United States contracts placed in this country. In the 1951-52 United States fiscal year, they totalled more than $325 million. During the same period, Canadian orders amounted to about $279 million. As our own facilities have come into production it has been possible to ease up on the heavy initial purchases that had to be made in the United States to get our defence program under way.

On the other hand, our defence purchases in the United Kingdom are increasing. In the fiscal year 1950-51, Canadian government defence orders placed in the United Kingdom amounted to $8 million. In the fiscal year 1951-52 they were about $38 million. In the first seven months of this fiscal year, orders placed are worth about $55 million.

Mr. Speaker, it is not my intention to prolong this statement. Summarizing briefly, the strategic materials situation is improving and we are taking advantage of this circumstance to relax controls as quickly as the requirements of the defence effort permit. Significant quantities of complicated equipment are now being made available to the armed services, and deliveries will increase sharply before the end of the fiscal year. An impressive framework of new facilities has been established in the last two years and forms the real basis of our defence effort. Finally, the Canadian economy is being maintained at a record level, providing us not only with a strong bulwark against communism but also providing our fellow Canadians with the highest standard of living in our history.

Mr. George H. Hees (Broadview): Mr. Speaker, when speaking in this house on November 24 last the Prime Minister (Mr. St. Laurent) said he did not believe that the people of Canada had been overtaxed. Now I want to say to the Prime Minister, on behalf of the people whom I have the honour to represent, that they believe that they have been overtaxed, very materially and for quite a long time.

They know that ever since the present Minister of Finance (Mr. Abbott) took office in December, 1946, the government has taken from the Canadian people more than a million dollars a day in excess of what was needed

to meet all government expenses. This means that during the past six years the average Canadian family of five has been overtaxed by more than $750.

The heads of families in my riding feel that $750 is a lot of money, and they can think of a great many ways they would have sooner spent that $750 than handing it over to the government. They particularly resent handing over that $750 because they know it was not needed to pay for any expenses the government—

Mr. Cannon: Will the hon. member permit a question?

Mr. Hees: Mr. Speaker, I shall be glad to answer the hon. member's question after I finish speaking. As I said, Mr. Speaker, the people in my riding particularly resent having to hand over that $750 because they know it was not needed to pay for any expenses the government was called upon to meet. They can see no reason for having to hand it over to the Minister of Finance (Mr. Abbott).

During wartime, one of the greatest dangers we have to fear is sabotage. During peacetime, it seems that one of the greatest dangers we have to fear is "Abbottage".

Mr. Howe: Is that supposed to be funny?

Mr. Hees: I should like, Mr. Speaker, to speak for a few moments about the forced retirement of Brigadier A. B. Connelly, the brilliant young officer who was fired to make a scapegoat for this government's fiasco in dealing with the Koje island incident. I happened to be a classmate of Brigadier Connelly's for four years at the Royal Military College, between 1927 and 1931. During four years such as that, you get to know a great deal about a man's character and ability. I believe that all those who were associated with Brigadier Connelly at that time were convinced that he was one of the brightest, cleverest, ablest cadets that ever came out of that institution. As the hon. member for Nanaimo (Mr. Pearkes) pointed out the other day, since his graduation his whole career has been one of rapid promotion to some of the highest jobs in the army.

I have known very well a great many of the men who, right up until the time he was fired, were associated with Brigadier Connelly in his work. I also know a great many of the men who have worked for him. They are all of the opinion that he would have risen to the very top of the tree.

What was the great mistake that Brigadier Connelly is supposed to have made? It is simply that he reported as a routine matter, instead of by high priority cable, the fact that one company of infantry from our 25th brigade was under consideration for guard duty on Koje island. I believe that any soldier would have acted in exactly the same manner as Brigadier Connelly acted, because to soldiers the use of one company for temporary guard duty is a routine matter, and not a matter requiring high government decision.

If all our senior officers are going to have to know how to solve the eccentricities of the Liberal political mind in the future, there is no doubt about it that they are all going to require a very special course in this very inexact subject. I believe it is putting far too heavy a responsibility on men whose job it is to direct our fighting forces in the field.

I want now to deal very briefly with another matter that the hon. member for Nanaimo brought up when speaking in this house on December 1. He referred to the fact that in future the time spent at educational institutions would be considered as service time when working out pensions for commissioned officers in our armed forces. As he pointed out, that is a very just and desirable provision. I believe it is also necessary that officers who have already been commissioned should also be able to count the time spent at educational institutions as service time when computing the pension which they will receive. I believe this is a very necessary provision which the government should consider. I sincerely hope that in the near future the government will extend the present regulation to make that possible.

(Translation):

Mr. J. E. Lefrançois (Laurier): Mr. Speaker, although I came to the house in the fall of 1949, I am speaking for the first time tonight. The task entrusted to me by my electors is crystal clear: they have sent me here to support the government. I might add that the decision of the electors of Laurier was practically unanimous, because the Progressive Conservative party, aware of the people's wishes, did not contest the riding. The C.C.F. party followed suit. My only opponent was a member of the Labour-Progressive party who polled only a few hundred votes and he succeeded in doing so only by omitting, as much as possible, to mention the name of his party in the constituency.

I am confident of having fulfilled my mandate without having to interfere with the government's policy, the trend of which has not changed since 1949.

In 1949, the electors of the constituency of Laurier, like those in all parts of Canada, expressed their confidence in the Liberal party because it has worked towards a united, a sovereign and prosperous Canada, whose citizens were already enjoying a high degree of security.

In 1949—need I recall an event so vividly remembered by our people, so burning a memory for our opponents—Canadians from coast to coast chose the Right Hon. Louis St. Laurent as head of the nation.

This choice was not to be regretted. Under the Liberal regime, Canada has constantly strengthened her unity, her sovereignty, her prosperity and the security of her people. Incidentally, the Conservatives, who, since the last election in the United States, take pleasure in identifying themselves with the Republicans—thus labouring under quite a delusion—should remember that all the largest magazines and newspapers in that country who supported the Republican party have, especially during the past year, praised the financial and economic development of Canada as well as her increasing prosperity. Several of them have even expressed the wish that their country be governed by men like those who make up the present government.

During the electoral campaign of 1949 our opponents, indulging in some wishful thinking, had predicted that the Right Hon. Louis St. Laurent would resign immediately following the election.

To the satisfaction of my constituents, as well as of the whole country, and to their good fortune, the Right Hon. Louis St. Laurent is still the leader of the Liberal party and of the government. For all, he remains the man of the whole nation. It is not mere gallantry to point out too that the first lady of this country is still today Mrs. Louis St. Laurent.

Mr. Speaker, I wish to pay tribute to my predecessor, the Hon. Ernest Bertrand who, for fourteen years, so fittingly represented the constituency of Montreal Laurier. His constituents were honoured with his cabinet appointment, he having been originally Minister of Fisheries and latterly Postmaster General. The electors of Montreal Laurier think of him with gratitude and their admiration for his career remains undimmed in spite of his present removal from the public scene due to his appointment to the bench.

The support given to the government by my constituency is as assured today as it was in 1949; and it is equally strong in all parishes. Hence I did not have to voice any protest when it was substantially modified during the last redistribution.

I have but one regret, and it is to be deprived of a considerable portion of the people who placed confidence in me on my first election, as well as of organizers and devoted friends who never spared me their support. In losing these, however, I have the good fortune of acquiring new friends for the limits of my constituency will henceforward include a great part of St. Jean Baptiste parish where I have always been warmly welcomed.

With the general elections coming, our opponents fill the air with their election-inspired statements. Hence, so much talk about health insurance.

It is not surprising that our socialists are sponsoring a new social security program; they would like it so very much if all our citizens were to depend on a state which they expect to run some day. Yet if they succeeded in nationalizing everything, in accordance with their policy, the plight of this country would be such that each citizen would have to rely on the state for his daily bread.

However, when we see the Tories, who, as a matter of principle, have always opposed social security measures, we must come to the conclusion that they are tired of being in opposition and that they have decided to abandon their principles and forget their past in an effort to assume power.

In requesting the implementation of a health insurance scheme, our opponents are merely showing their approval for legislation which the Liberal government will bring down in due course.

On the other hand it is noteworthy that any sound proposals which could be found in our opponents' platforms at any given time have sooner or later been put into effect by the Liberals.

In my opinion, before embarking on a health insurance scheme, we must first expand and increase our hospital facilities, sanatoriums and other medical institutions.

Before permitting a larger number of people to enter those institutions, we must provide the required accommodation and increase the necessary facilities.

Before calling the ambulance, one must ascertain that a bed is available in the hospital.

Therefore, it is a sound policy of the government to implement its health plan step by step.

Besides the sick there are the disabled. A sick man might be deprived for a few days, a few weeks or a few months of the income necessary to support himself and the members of his family. The disabled, on the contrary, might be deprived of these means for the rest of their lives. The sick person has to face considerable expenses for various lengths of time. The crippled would probably have to incur during their lifetime expenses resulting from their infirmities.

Remarkable work is now being done in Canada towards the rehabilitation of the disabled, especially among the veterans. Amazing results are being achieved.

However a large proportion of crippled people will never be in a position to rehabilitate themselves. A few years ago the hon. member for Terrebonne (Mr. Bertrand) suggested the implementation of a special allowance plan in their favour. While congratulating him for having thus focused the government's attention on their plight, may I, in turn, express the wish that, when the time has come to set up a national health insurance plan, some consideration will also be given to invalids.

We already have pensions for the blind. Still there are any number of other ailments which beset a large number of our citizens. Crippled in body, they barely manage to exist while their dependents remain in miserable circumstances.

If there is one case where private charity is unequal to the task, that is it. I am convinced that the whole nation would enthusiastically approve of the adoption of a plan calling for allowances for crippled persons.

I am also satisfied that my party, which has so rapidly brought up the standard of living of the people of this country, will see to it that our crippled citizens are assured of that measure of comfort and security to which everyone is entitled in a truly civilized country.

Before closing these remarks, I should like to congratulate both the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne. They have expressed the opinion and feelings of the great majority of Canadians.

It is with great pleasure that I listened to the hon. member for Brome-Missisquoi, whom I learned to know and appreciate during the course of his electoral campaign. The house has had occasion to realize the fluency with which he can express himself in both languages.

In closing my remarks, I should like to express the hope that the government, after having gratified us with such a perfect loudspeaker system, will favour us with a system of simultaneous translation which would allow everyone to hear all the speeches in his own language, regardless of the one used by the speaker. I am convinced that such an innovation would make for better understanding between all members of the house.

[Mr. Lefrançois.]

(Text):

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, before the vote is taken on this amendment to the amendment I wish to say a few words—and I assure the house that I will not detain it long—to explain why the C.C.F. group can and will vote for this subamendment. I wish to read the amendment to the amendment moved by the hon. member for Lethbridge (Mr. Blackmore) yesterday afternoon. It reads:

That the amendment be amended by adding at the end thereof the following:

"(f) To bring before this house for adoption, a realistic financial and economic policy that will ensure the orderly development of Canada's resources, guarantee adequate markets at remunerative prices to producers, and provide to every Canadian his just share of the wealth our resources can be made to yield."

If I could have had the time to do so, Mr. Speaker, I should have liked to read part of the speech made by the hon. member for Lethbridge this afternoon. That speech was full of meat so far as I was concerned, but I am afraid not for the reasons that the hon. member for Lethbridge would think. In regard to the hon. member himself, we have been neighbours here for quite a long time, and he is a good neighbour; but I wish he could do what the poet Burns suggested would be a good thing for people to do, that is: "O wad some power the giftie gie us, to see oursels as ithers see us!" I think it would do him good, because if I know anyone who can make himself ridiculous in this house, it is the hon. member for Lethbridge. I am sorry the hon. member is not here now, but when he gets on his favourite subject he does not seem to have any sense of proportion and he does not give the rest of us credit for having any sense at all.

I may be just as stupid as he says I am—and really I am not worrying about it very much; I am getting too old for that—but if I were as much at sea on economic matters as the hon. member for Lethbridge is, I certainly would worry.

I said that the C.C.F. would vote for this subamendment and why. As a matter of fact, I believe we are the only party in this house that can logically and conscientiously vote for this subamendment. I do not believe that even the Social Credit members can vote logically or conscientiously for it because if they vote for it they must repudiate entirely what was said by the hon. member for Macleod (Mr. Hansell) only two or three days ago. Let me read what he said. I read it on Tuesday when I spoke in this debate, and I shall read it again. It is found at page 236

of *Hansard*. The hon. member for Winnipeg North Centre (Mr. Knowles) asked this question:

> Mr. Knowles: Would you do away with welfare legislation? . . .
>
> Mr. Hansell: I would like to answer the hon. gentleman's question if I may. It has always been found that you cannot readily retract or undo something the country has already done.

What does that mean? It means that he would like to do away, as quickly as it possibly can be done, with our social legislation. He would like to remove from the statute books of Canada all the social legislation that is on them. I continue with the quotation:

> —but I would say that the greatest welfare that can come to the people is to leave with them their absolute freedom to act according to their own conscience and will.

Well, if you are going to leave them to their absolute freedom to act according to their own consciences, why bring in a financial and economic policy that will ensure the orderly development of Canada's resources? Why bring in a financial and economic policy that will guarantee adequate markets at remunerative prices to producers, and why bring in a financial and economic policy that will provide to every Canadian his just share of the wealth our resources can be made to yield? All the things they are asking for in this subamendment require planning, planning on a large scale. Who is to say what each individual's just share is? Is that to be left to a matter of chance? And if it is left to a matter of chance, what chance has the weak to get his share in competition with the strong? Did anyone ever hear of anything quite so fantastic or statements so much at variance with each other as the statement made by the hon. member for Macleod on December 1 and the subamendment moved by the hon. member for Lethbridge on December 10?

You know, these Social Credit people are getting away with an awful lot. On the one hand they claim that they are for free enterprise and that nobody else is. In British Columbia they are the only free enterprise party. The Liberals are socialists with the C.C.F. I do not know what the Conservatives are, or what is left of them that have not gone into the Social Credit party.

Mr. Sinclair: Very few of them.

Mr. MacInnis: But they are not free enterprisers anyway. The Social Crediters are the only free enterprisers. According to the hon. member for Macleod their policy is to furnish the money, as much as everybody needs, and God will look after the rest.

Mr. Laing: And all will be well.

Mr. MacInnis: It is no wonder they start meetings with "Oh God, our help in ages past," because we should certainly need His help in years to come if that kind of policy were to be followed.

I have made a study of social credit, at least what goes for social credit. I do not believe there is any such thing—and that is not adopting the attitude of the person who saw the giraffe for the first time. I actually do not believe there is any such thing.

Mr. Shaw: Do you believe it?

Mr. MacInnis: No, I do not.

Mr. Shaw: Why did you second the motion in 1935 calling for its use in 1935?

Mr. MacInnis: I do not believe there is any such thing.

Mr. Shaw: I put it on the record three years ago.

Mr. MacInnis: That is all right. You can put it on the record again, if you like. Even if I did that in 1935, I would not take the same position as my hon. friends have taken, that they have not learned anything since 1935. As I said, I have read everything in book form that Major Douglas ever wrote. I have read not only that, but I have read what a great many other economists wrote, and I have come to my own conclusions in regard to the impasse that our economic system comes to every once in a while. I am quite satisfied that our economic dislocations are not because there is not sufficient money to distribute the goods produced. I have said time and time again in this house, and I will say it again tonight, that the reason is that although there is sufficient money, some have more money than they can spend and others have not the money to spend that they need. Because of that goods accumulate and cannot be sold. I do not expect everyone to believe that. Even if you do not, I do not believe that you are quite stupid.

The purpose of the present economic system is not to produce goods and services to meet social needs. The purpose of the present economic system is to produce goods and services to make a profit for the owners of the capital involved, and if it serves social needs in doing that it is only incidental. Profit is the purpose, and all else is incidental. I will say this: Until my friends, my neighbours to my left, can learn that they will not understand the economic system.

Mr. Low: You cannot learn something that is untrue.

Mr. MacInnis: You have learned an awful lot that is untrue. An editorial appeared in

the Ottawa *Journal* of December 4, commenting on President-elect Eisenhower's business cabinet. It is headed: "Challenge to Business".

> Business leaders have long argued that what government needed was more business know-how, meaning more businessmen. They must be delighted with General Eisenhower's appointments to his cabinet and other high posts. Not for a generation or more has an American administration contained so many men of business fame.
>
> Thus the head of General Motors becomes secretary of defence, a key figure in the coal and steel industry becomes secretary of the treasury, a leader in the competitive field of automotive sales becomes postmaster-general, the head of the second biggest American bank goes to Britain as ambassador, and so on down the line.
>
> The sun of the "economists", of the doctrinaire theorists, and even of the "practical" politicians, seems to have set.

I will be more certain that it has set when we have peace in Korea, when the cold war comes to an end, provided always that a shooting war has not begun. If Eisenhower can do better than Hoover and Coolidge, I shall eat my shirt. Perhaps I should not say "my shirt," because I recently got a plate and it would be pretty hard chewing, but I will be ready to eat something pretty tough. The *Journal* goes on:

> For business, a stern challenge. The challenge of proving that business today is more than organized selfishness—

Which means that business yesterday or in Hoover's time was organized selfishness.

As a matter of fact, if business is not organized selfishness today, that is not due to business; it is due to the trade unions and the socialist movement. They have civilized business. The editorial continues:

> —that free capitalism is more than freedom to exploit—

That means that free capitalism was merely freedom to exploit.

> —that business leaders now are a far cry from their "the-public-be-damned" predecessors, the "robber barons" who amassed vast fortunes through anti-social deeds and then added to their scandal by exhibitions of vulgar wealth.

There you have the picture of the businessman as he was before he was civilized by present-day events and trends. They would be no better today and they would not be any better tomorrow if these checks were removed because, as I said before, their purpose is not to provide goods and services, to feed, clothe and shelter the people, to provide those other things which are necessary for the human family. Their purpose is to make profits by the exploitation of our means of production. That cannot be remedied by the appointment of a monetary commission, although it might be a help.

I want to draw attention to the fact that the hon. member for Lethbridge said that they would appoint a monetary commission. What would be the purpose of that monetary commission. I remember when they—I was going to say "raised hell" but that would not be parliamentary—raised Cain with this group for advocating the appointment of a planning commission. What is the difference between a monetary commission and a planning commission? I do not know.

Let us see what this monetary commission is going to do. It is going to plan the introduction and operation of a financial and economic policy that will ensure the orderly development of Canada's resources. Quite a job. It is going to plan a financial and economic policy that will guarantee adequate markets at remunerative prices to producers. It is going to plan financial and economic policies that will provide to every Canadian his just share of the wealth our resources can be made to yield.

There is a free enterprise party for you. I am not so sure that when big business learn what they actually are they will be as flush with their money for campaign funds as they are at the present time and have been in the recent past.

The hon. member for Lethbridge referred today to a "just" price. As I mentioned the other day, I have been trying to get an answer to what is a just price for a long time. I have wanted to have that from any Social Credit member who wished to give it to me, but as yet none has done it. Perhaps the hon. member for Lethbridge has come nearer to it than anyone else.

This monetary commission is going to set the price on everything. Hon. members know what is meant by "everything". That will be your shirt, your hat, your coat, your shoes, the cabbage, liver and other things you eat, the mousetraps and all the things you buy. A just price is going to be set on each item. If there is no just price there will be profiteering with an unjust price.

Some years ago I raised this matter with the hon. member for Lethbridge. He spoke on June 21, 1948. The speeches he made yesterday and today were simply repetitions of the speech he has made in this house a dozen times. There may be a few new things in it, but I know it pretty nearly by heart. I know that Bradburys are going to be mentioned, and I know just where Sir Basil Blackett is going to come in, and all the rest of it.

It reminds me of the time I worked for a farmer. There used to be family worship in the mornings. While the farmer was reading the Bible and making his prayer I had to watch that the cows did not get into the clover. At about the same place in the middle

of the prayer each morning he would look out the window and say, "Angus, go and turn them cows." I could repeat that prayer by heart just as I can repeat the speech of the hon. member for Lethbridge. During the course of his speech on June 21, 1948, the hon. member for Lethbridge said, as reported on page 5605 of *Hansard*:

> I prefer to say "individual enterprise" rather than "free enterprise"—

I heard a Social Credit speaker in Vancouver say they had "individual enterprise" in Alberta. Yes, individual enterprise a la Imperial Oil. The hon. member continued:

> —because free enterprise suggests that enterprise is free to do whatever it likes, create monopolies and charge what it likes. Social Credit does not favour that sort of thing at all. Social Credit says that if you take individual enterprise, with the wonderful motivation that is in it naturally, set it to work producing goods, and regulate that enterprise by the social credit just price system, which allows for a fair profit, allows enterprise to recover its costs plus a fair profit, you will have a powerful engine, harnessed and controlled as a powerful horse might be, so that it can go ahead and produce abundantly without being able to destroy itself or others. There you have the concept of Social Credit.

Page H. R. MacMillan. As I said, I really would like to have had the time to read the rest of what the hon. member for Lethbridge said today.

Mr. Low: I thought you said you knew it by heart.

Mr. MacInnis: I know it by heart; but just like Mr. Speaker when he gets a copy of the speech from the throne so he will make no mistakes, I should like to have a copy of the hon. member's speech so I will make no mistakes and will not be called to order for putting an "and" or a "the" in the wrong place.

We can support this amendment, but I am surprised that the Social Credit party not only introduced it but will vote for it, because it is certainly not the policy they are preaching in British Columbia.

(Translation):

Mr. J. H. Rousseau (Rimouski): When I made my maiden speech last year, I spoke in French and I gave my reason for doing so: namely that I was availing myself of the privilege of every new member to make his maiden speech in his mother tongue.

I shall speak in French again this year and here is the reason why. My native parish, where I have lived for the past 75 years, has been for 20 years, I may say without boasting, a small Canada and I could add: the capital, the seat, the centre of good will. I therefore deem it my duty to speak in French, a language that most hon. members of this house, although of other nationalities, understand and wish to speak. Indeed, whenever I meet some of my English-speaking colleagues, in the halls or elsewhere, they always ask me with their best smile: How are you, Mr. Rousseau? We're having a nice day today; the snow is all gone."

And members of this house are not the only ones who wish to speak French. Everyone knows that our distinguished former governor general, Lord Alexander, took French lessons, several times a week, from a French nun on Sussex street. When he read the French version of the speech from the throne, his pronunciation was nearly perfect, I would say. Before boarding his ship for England, at Halifax, where he made his farewell speech to the people with whose activities he had made a point to acquaint himself during his frequent trips throughout the country, people he loved so much, naturally he first spoke in his mother tongue but the part of his speech delivered in French showed in the tone of his voice his esteem for the French-Canadian people, and this was noted by all of his French-speaking listeners.

We are greatly honoured, as you all know, in having a Canadian-born governor general. This remarkable achievement, unique in our history, is to the credit of the party which is leading our country so well and adds a glorious page to the golden book of Canada.

Like his distinguished predecessor, His Excellency the Governor General, Mr. Vincent Massey, to get acquainted with the hon. members of the Senate and the House of Commons, invited them in small groups to his residence for an informal chat.

During that visit, as I shook hands with him, I said: "Your Honour, am I going to speak French or English with you?" I beg you to note his answer: "As you wish." And during at least ten minutes, he spoke to me in French, asking me about my constituency, its people, its industries, and he even wanted to know why the town of Trois Pistoles bears that name. Naturally he asked me to explain some things about this summer school which seemed to produce such good results from the point of view of "bonne entente". His interest was all the greater since the school had been founded by one of his best friends, Dr. Sherwood Fox, former president of

the University of Western Ontario, at London, Ontario. This school is a dream come true for this great Canadian who, since his younger days, had wished for the unity of the two great races in this country and who had come to the conclusion that to understand each other and get along together they first had to learn to talk to each other.

Allow me, Mr. Speaker, to tell you that last summer among the pupils was a judge from the supreme court of Ontario, Hon. Mr. Justice Kelly, as well as the present president of the University of Western Ontario, Dr. Hall. I might add that the school is still ably conducted by Mr. H. E. Jenkin of London, who still discharges his duties in the fine spirit in which the establishment was founded, that is understanding and unity between the two great races who live in this country.

I should like also to mention the visit paid to that school, in August last, by the Right Hon. Prime Minister (Mr. St. Laurent). He spoke to the pupils for 45 minutes, with his intelligence, but especially with his heart, as a real father would do. While I was thanking him, the school director asked him if he would like to pick a song in the album of French songs, which he would have the pupils sing for him and he picked out "En roulant ma boule"; when he left the school, he said: I was much impressed, for this song was the one my mother used to sing to put me to sleep when I was a child. Wonderful reflection of a great man who, having attained the summit of honour, still recalled with emotion the days of his youth.

I also wish to take this opportunity, Mr. Speaker, to offer you my sincere congratulations for the improvement in your French pronunciation, which is particularly noticeable when you say the opening prayers.

Now, Mr. Speaker, before I tell you why I shall vote enthusiastically for the address in reply to the speech from the throne, I should like to follow the path of all the gentlemen who have spoken in this house after the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address.

Making a half-turn to the right, I find myself facing two gentlemen who, at the very start, have been outstanding and who deserve the admiration of their constituents. I am very happy to join in the sincere congratulations which have been extended to them by all those who have taken part in this debate. I appreciate particularly the high praise paid to them by the Prime Minister, who is an expert appraiser of solid speeches, as well as of men and things.

I also take great pleasure in concurring in the congratulations extended to the new Minister of Fisheries (Mr. Sinclair) and to the Solicitor General (Mr. Campney), this being a public confirmation of the congratulations I deemed it my duty to express to each of them in a personal letter.

Before proceeding any further, I would like, Mr. Speaker, to send cordial greetings to the photographers of the house; I mean by that expression the members of the press gallery. They photograph our ideas, our feelings, our speeches; they know how to condense a flow of words into its essentials, they know how to extract the salient facts from our speeches and how to express them in a pleasing manner for their readers; their task is very tiresome and requires a remarkable degree of observation. They deserve our congratulations and our thanks.

The clergy of Canada, and more particularly of the province of Quebec, rejoices on the occasion of the promotion of Archbishop Léger of Montreal to the rank of cardinal, with residence in the city of his metropolitan see.

For the first time in the history of our country, the city founded by Maisonneuve will have her own cardinal. The late Cardinal Villeneuve also came from Montreal, but when he received that high honour he was Archbishop of Quebec.

We offer our sincere congratulations to our colleagues from the city and diocese of Montreal on this great honour which has been reflected upon them. They have reason to be proud of having among them such an illustrious ecclesiastical figure. Everyone, irrespective of creed or nationality, respects and admires his saintliness, his unsurpassed oratory, his wise diplomacy and his great devotion to every noble and worthy cause.

For two years already I have had the honour of representing the interesting constituency of Rimouski.

In order to answer and meet the requests which have been addressed to me, I had the pleasure of visiting several departments and you may rest assured, Mr. Speaker, that I have always received, from the hon. ministers, their parliamentary assistants and their subordinates, the most sympathetic, the kindest and the most courteous attention. I may say that legitimate and reasonable requests which I submitted to them were met and when they were unable to grant what I was asking, the refusal was so polite, so gentlemanlike, that I had no reason to take offence; and so I make it a point to mention here all the kindness which has been bestowed on my electors.

In my maiden speech, last year, I expressed all the needs of my constituency, giving the location of every place in the county. Mont Joli, a pretty little town on the eastern boundary of my constituency, has had its viaduct slowly but surely improved.

Such an improvement had become necessary and imperative following the traffic increase in that district: the mining developments on the north shore and on the Gaspe peninsula have considerably increased the movement of passengers coming from the United States by plane and by rail, so that the airport there takes on new importance every day.

I know that the Minister of Transport (Mr. Chevrier) will turn a sympathetic ear to all fair and reasonable requests I will make to him in this regard. Mont Joli, being the terminus of the Matane railway, needs a larger and improved C.N.R. station. That need has been felt for a long time. The municipal council and the chamber of commerce have sent me resolutions asking for that improvement and I agree wholeheartedly with those resolutions.

Mont Joli also needs a customs office. At the present time, the reasons which militate in favour of the immediate opening of this office are most potent; I have enumerated and stressed them to the authorities concerned, and I am convinced that my request will be granted. It will be necessary also to open an unemployment insurance office at Trois Pistoles as well.

In each of the parishes along the river, important works were performed, and I wish to express my sincere thanks to the Minister of Public Works (Mr. Fournier).

The wharf at Pointe au Père is also in need of improvement called for by the navigators, the parish council and, more particularly, by the pilots' guild. In my humble opinion, these works are the responsibility of the Department of Public Works and of the Department of Transport. I am therefore convinced that the ministers at the head of those two important departments will co-operate and have performed as soon as possible the required works.

This year, Ste. Flavie and Ste. Luce were supposed to have retaining walls built, in order to stop the erosion caused by the spring tide; but the project has been postponed until next spring, the amount earmarked for the job having been used up.

At Rimouski, the burnt-down breakwater has been rebuilt; the supporting wall will be built as far as Cathedral street. A private company having decided to build a dry-dock opposite the town—it will be the only one east of Quebec city on the south shore—a breakwater will have to be erected to protect it. The plans have been prepared, at my request, by engineers from the Department of Public Works, and I firmly hope that it will soon be built.

My regretted and eminent predecessor had obtained the building of a post office at Rimouski. This beautiful building, one of the most remarkable and imposing east of Quebec city, was blessed and inaugurated in June last. I have now the pleasant task of thanking the Minister of Public Works for having given us this building. The Rimouski airport also needs improvements. I took great pleasure in escorting a large group of the town's leading citizens and in introducing them to the Minister of Transport who greeted us with his usual kindness and who promised to consider seriously their request.

I must also thank the Postmaster General (Mr. Cote), his parliamentary assistant (Mr. Langlois) and certain employees of their department for having so kindly consented to improve our postal service in some places.

Now, Mr. Speaker, I wish to state clearly why I shall enthusiastically support the motion for the address in reply to the speech from the throne. In my humble opinion, the Liberal government is administering the affairs of the country in about the same way as directors of large companies, who can boast every year of substantial surpluses, to meet the interest on privileged shares, to redeem those shares when they mature, to pay reasonable dividends on common shares and still have an adequate reserve for contingencies.

To accumulate such surpluses, the government must resort to customs and excise duties, and to taxes.

It is not fair to find fault with the government for having large surpluses, when we know very well that those surpluses are used first to write off our national debt, which has already been decreased by several billions, then to pay the cost of old age pensions, pensions to the blind, family allowances and especially to meet the high cost of our defence production.

We must remember, Mr. Speaker, that it took the experience of two wars, which cost us so much in money and human lives, to awaken the allies to the necessity of preparing themselves.

During the 1914-18 war, no one was ready but Emperor Wilhelm; so much so that his troops, meeting no serious obstacles, overran, with little trouble, first Belgium, then part of France. They were steadily advancing on Paris when the battle of the Marne

was fought and won by the allies through providential assistance; it is said that the German generals made unexplainable mistakes in command. Some say, moreover, that the German armies were then blinded by an apparition of the holy Virgin who wanted to protect the eldest daughter of the church: this miracle was only a repetition of what happened when the cross and the words *In hoc signo vinces*, by this sign thou shall conquer, appeared in the sky to Emperor Constantine and his troops, during their battle against the pagans.

Thanks to the victory of the Marne, the allies were able to stave off the German advance, to take refuge in trenches, and to get ready, while defending themselves. That war cost millions of dollars and hundreds of thousands of human lives.

Twenty years later, in 1939, Hitler launched world war II, with such thorough preparation that all hope seemed lost for the allies who, once again, were unprepared. It was the blitzkreig, with all its attendant horrors. Countries fell one after the other and everything seemed lost, especially after the Dunkirk disaster. Britain alone, disarmed but courageous, led by Churchill, decided to fight it out. At this critical period the United States had not yet joined in the fray, Italy had gone over to Hitler, while Russia had just signed a treaty with Germany.

It is well, then, that we pay tribute to Britain since, without this admirable decision on the part of Churchill and his people, the world would have been subject to the nefarious nazi regime. It was a regime of terror, a godless regime. You will remember that this evil genius, to ridicule the cross of Christ, had forcibly replaced it with the swastika.

We all know how this war cost billions of dollars, millions of human lives and left nearly half the world in misery and disorder.

Here again, a year before the end of the war, a celestial apparition took place at Fatima, when the Virgin and her Son, in the presence of nearly 100,000 people of all faiths and creeds, appeared in the heavens.

When the holy Virgin appeared to three young children, three young shepherds, she recommended prayer and penance. And, Mr. Speaker, all these extraordinary happenings are admitted the world over.

It is a mystery to no one that the dangers of war are still threatening, but this time, and due to the experience of the last two wars, the allies are preparing themselves, and it is this danger which has determined all free countries to prepare. Such preparation is costly but necessary, for you know this axiom or rather this great truth: Heaven helps those who help themselves.

(Text):

On motion of Mr. Rousseau the debate was adjourned.

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

HOUSE OF COMMONS

Friday, December 12, 1952

The house met at 2.30 p.m.

TAXATION

PRESS REFERENCE TO SPEECH OF MEMBER FOR MOOSE JAW

Mr. Stanley Knowles (Winnipeg North Centre): I rise on a question of privilege. In this morning's Montreal *Gazette* there is an editorial dealing with the speech made in this house two days ago by the hon. member for Moose Jaw. The editorial includes this sentence:

When he—

The reference is to the hon. member for Moose Jaw.

—recommended one tax cut, a fellow C.C.F. member exclaimed: "Over my dead body!"

I am sure all members of the house—

An hon. Member: You said that years ago.

Mr. Knowles: Hon. members are confirming the point I wish to make as a question of privilege. My offer of my dead body was in opposition to the means test being applied either to the family allowance or to the old age pension. I may say, too, on my own behalf and on behalf of the members of this party, that we favour a reduction in the personal income tax, particularly for those in the lower income brackets—

Mr. Speaker: Order.

Mr. Knowles: —but we are opposed to any reduction in corporation taxes.

FARM PRODUCTS

LIVESTOCK, MEAT AND HAY—LIFTING OF UNITED STATES EMBARGO

Right Hon. J. G. Gardiner (Minister of Agriculture): I should like to make a brief statement with respect to the lifting of the United States embargo against our livestock, meat and hay. Most hon. members will have read in the press or heard on the radio yesterday's news report from Washington indicating the early lifting of the embargo in so far as hay from eastern provinces is concerned. It will be remembered that on November 28 a news report came from Washington which was interpreted to mean that the embargo against livestock, meat and other products affected, would be lifted on March 1, 1953. The announcement said: "If present favourable conditions continue Canada will be declared free of foot-and-mouth disease on March 1, 1953".

Since the statement did not actually say that the embargo would be lifted on March 1, and because we had maintained frequent contact with the United States authorities and had reason to expect that the embargo against some products at least might be lifted at an earlier date than March 1, we refrained from making any public comment pending further discussion with the United States authorities.

Shortly afterward I arranged to meet Secretary Brannan in Washington and actually did meet him on December 5. I can tell the house that the meeting was most favourable, that I was assured that the United States authorities regarded our measures for the eradication of foot-and-mouth disease as being wholly effective, and further that they are anxious to see normal trade in livestock, meat and other products affected, resumed as soon as possible.

After my visit to Washington, the acting secretary of agriculture published a notice in the federal register expressing the intention of the department to lift the embargo against Canadian livestock and meat and stating that representations on the proposal would be received from the public until January 16.

As I mentioned a moment ago, yesterday's news from Washington has been taken by some to mean that the embargo had actually been lifted in so far as hay originating in eastern Canadian provinces was concerned. According to information we have from Washington, that is not exactly the case. Yesterday the department of agriculture in Washington posted a public notice to the effect that hay for use as feed would be allowed to enter the United States from eastern Canada after the publication of the official notice in the federal register. We understand that the official notice may be published within a matter of a few days.

While no assurance whatever can be given as to what, if any, further action the United States authorities may take to advance the date of the lifting of the embargo, I think the house will agree that the steps already taken by the United States government are most welcome and support the view that further steps may be taken before March 1.

Business of the House

BUSINESS OF THE HOUSE

DEBATE IN REPLY TO SPEECH FROM THE THRONE —CHANGE IN HOURS OF SITTING

Mr. Speaker: There is a motion under the name of the Prime Minister respecting the hours of sitting which can be proceeded with now or when government notices of motions are called.

Some hon. Members: Now.

Right Hon. C. D. Howe (Acting Prime Minister) moved:

That on Monday, December 15, 1952, and every sitting day thereafter until the debate on the motion for an address to His Excellency the Governor General in reply to his speech at the opening of the session has been disposed of, the house shall meet at eleven o'clock a.m., and shall continue to sit until eleven o'clock p.m.; and that in addition to the usual intermission from six to eight o'clock p.m. there shall also be an intermission from one to two-thirty o'clock p.m., and that the provisions of standing orders 2, 6 and 7 be suspended in relation thereto.

He said: I might just say a few words at this time. We have now had 106 speeches during this debate, which means that about 150 members, or perhaps more, will be entitled to speak. I do not think any of us wishes to curtail the debate in any way. To me it has been an excellent debate and I think any hon. member who wishes to speak should have an opportunity to do so. On the other hand, a great many members, particularly those who live some distance away, are anxious to make arrangements for returning to their homes before the holiday. I think I can say that if the debate should come to an end on Wednesday we will adjourn on Wednesday, and if it continues beyond that day we will adjourn on the day on which the debate ends.

The hours suggested from 11 o'clock to 11 o'clock are the old hours pertaining to morning sittings. I think it could be understood that if we had had a good day up until ten o'clock and if a speaker finishes on or after that time, a motion to adjourn would then be supported by the house. But I think it should be left to the house to decide how soon after ten o'clock the house will adjourn. In any event, the proposal of the motion is that the house shall adjourn at eleven o'clock.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I want to thank the Acting Prime Minister for meeting in part the point about which I was getting to my feet a moment ago. I am happy to support the motion in so far as it provides for morning sittings during the remainder of the debate on the address in reply to the speech from the throne. I offer that support because I was a member of Your Honour's committee on procedure which wrestled with this question of hours and which made the recommendation that if the debate on the address in reply to the speech from the throne lasted more than a week we should establish morning sittings.

However, I am disturbed—although my concern has been lessened somewhat by what the Acting Prime Minister has said just now—by the fact that this motion calls for the house to sit until eleven o'clock in the evening. I think it should be put on the record that the recommendation made by the committee in this regard, to be found on page 602 of *Votes and Proceedings* for June 27, 1952, reads as follows:

Your committee also recommends that, without amending the standing orders, consideration should be given by the house at the beginning of next session to holding morning sittings during the debate on the address in reply to the speech from the throne, starting approximately a week after the opening of parliament, subject to the suspension of said morning sittings if the debate on the address is interrupted for other business.

I point out that when we made that recommendation there was no suggestion that the sitting hours should be extended beyond ten o'clock at night. I think it is fair to say that not only the committee but the house as a whole wrestled with this question of the proper hours of sitting for two full sessions and we are all quite satisfied with the hours that have been arrived at, namely, 2.30 to 10 o'clock with the usual intermission.

I think all of us, particularly those of us who have had years of experience with the eleven o'clock closing, find that the ten o'clock closing hour is much better all round. Accordingly it seems to me we should not try to carry this house past ten o'clock at night. I welcome the suggestion which the Acting Prime Minister has made that it might be that we will adjourn at ten o'clock every evening despite the terms of this motion. I hope that in future even the possibility of going on to eleven o'clock will not be included in the motion because it seems to me that it would meet with the spirit of the committee's recommendation and with the will of the house generally if it were established that ten o'clock at night is late enough, bearing in mind that for most of us our day starts at nine o'clock in the morning.

Motion agreed to.

INDIAN ACT

AMENDMENTS RESPECTING LOANS, SEIZURE OF GOODS, ETC.

Hon. Alphonse Fournier (for the Minister of Citizenship and Immigration) moved the first reading of Bill No. 37 (from the Senate), to amend the Indian Act.

Motion agreed to and bill read the first time.

SAINT JOHN BRIDGE AND RAILWAY EXTENSION COMPANY

PROVISION FOR ACQUISITION BY CANADIAN PACIFIC RAILWAY

Hon. Lionel Chevrier (Minister of Transport) moved the first reading of Bill No. 38 (from the Senate), respecting the Saint John Bridge and Railway Extension Company.

Motion agreed to and bill read the first time.

CANADIAN OVERSEAS TELECOMMUNICATION CORPORATION

AMENDMENTS RESPECTING PAYMENT CERTIFICATES, ANNUAL BUDGET, ETC.

Hon. Lionel Chevrier (Minister of Transport) moved the first reading of Bill No. 39 (from the Senate), to amend the Canadian Overseas Telecommunication Corporation Act.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF AUDITORS FOR NATIONAL RAILWAYS

Hon. Lionel Chevrier (Minister of Transport) moved the first reading of Bill No. 40 (from the Senate), respecting the appointment of auditors for national railways.

Motion agreed to and bill read the first time.

PRIVATE BILL

INTERPROVINCIAL PIPE LINE COMPANY

Mr. J. N. Corry (for Mr. Bennett) moved the first reading of Bill No. 41 (from the Senate), respecting Interprovincial Pipe Line Company.

Motion agreed to and bill read the first time.

REPARATIONS

INQUIRY AS TO PAYMENT OF JAPANESE AND GERMAN REPARATIONS

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, before the orders of the day are called I should like to direct a question to the minister who is Acting Secretary of State. Will he inform the house as to what progress is being made in regard to the payment of Japanese and German reparations in pursuance of the report made to the government by Chief Justice Ilsley of the province of Nova Scotia.

Right Hon. C. D. Howe (Acting Prime Minister): I am sorry to say that neither the acting minister nor the minister is present today. If the question could be taken as notice an answer will be given on Monday.

FISHERIES

TRADE MISSION TO SOUTH AMERICA

On the orders of the day:

Mr. L. T. Stick (Trinity-Conception): May I direct a question to the Minister of Fisheries? In view of the impending trade mission to South America to be headed by the Minister of Trade and Commerce (Mr. Howe), can he state if any requests have been made by NAFEL, which is the single export agency in Newfoundland for salt codfish, to the Department of Fisheries for representation on this trade mission?

Hon. James Sinclair (Minister of Fisheries): I wish to thank the hon. member for having given me notice of his question. No direct representations have been made recently to the department, but both the Department of Fisheries and the Department of Trade and Commerce have been working continuously over the last few years with NAFEL and with the codfish exporters of the maritime provinces in an effort to open the Brazilian market to Canadian codfish. The impending trade mission has been fully briefed on the problem and I am sure will make every endeavour to find a way out of the current difficulty.

CANADIAN NATIONAL RAILWAYS

TRURO AND SYDNEY—INQUIRY AS TO USE OF DIESELS

On the orders of the day:

Mr. Clarence Gillis (Cape Breton South): I should like to direct to the Minister of Transport a question which arises out of a telegram I received from the president of the miners union in Nova Scotia, a copy of which I sent to the minister. Can he inform the house if it is the intention of the Canadian National Railways to place a number of diesel engines on the run between Truro, Nova Scotia, and Sydney? This information is rather important to the union as they are in the process of wage negotiations.

Hon. Lionel Chevrier (Minister of Transport): I received the notice which the hon. gentleman was good enough to send me just a short time before I came into the house. I attempted to get a reply, but I have not been successful. If he will allow the question to stand until Monday, I think by that time I can get a reply.

Inquiries of the Ministry

TELEVISION

PROGRAMS SPONSORED BY BREWING COMPANY

On the orders of the day:

Mr. E. G. Hansell (Macleod): Will the Minister of National Revenue inform the house whether the Canadian Broadcasting Corporation has accepted or anticipates accepting the sponsorship of programs telecasting wrestling or boxing matches sponsored by a brewing company in Montreal?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, I thank the hon. gentleman for having given me notice of his question. The answer is yes. The Canadian Broadcasting Corporation is prepared, in the province of Quebec, to telecast programs sponsored by brewing companies under conditions similar to those laid down in sound broadcasting regulations, which provide for such sponsorship in a province where beer and wine advertising is allowed. The regulations allow for identification of the sponsoring company only, and do not permit advertising of its product on the air.

Mr. George A. Drew (Leader of the Opposition): May I ask a supplementary question? In view of the answer just given by the minister, may we take this as a statement of policy by the government, that provincial authorities have some control over television broadcasting?

Mr. McCann: I do not know that that bears any relationship to this specific question. I shall take it as notice of a question.

ARMED FORCES

PAYMENT OF SERVICEMEN'S TRAVELLING EXPENSES

On the orders of the day:

Mr. G. F. Higgins (St. John's East): Is the parliamentary assistant to the Minister of National Defence in a position to state whether any decision has been arrived at with respect to the payment of travelling expenses for servicemen travelling to their homes on leave?

Mr. J. A. Blanchette (Parliamentary Assistant to the Minister of National Defence): The hon. gentleman was good enough to send me notice of his question. The hon. member for Kootenay West (Mr. Herridge) has also inquired in respect to the same matter.

The present position regarding transportation costs for men in the armed forces going on leave is, briefly, as follows: Personnel proceeding to, or returning from, service in the Far East or Europe are provided at public expense with free transportation, berth and meals to their stated home address; in other words, when they are on special embarkation, or disembarkation leave.

Personnel serving in Canada are entitled to one annual leave and are granted an allowance calculated at the rate of 1½ cents per mile for each mile of the complete journey in excess of 500 miles. The question of an increase in the mileage rate, and a reduction in the distance beyond which the mileage allowance is payable, are both at present under consideration. On leaves other than those referred to above, a member of the services bears his own expenses.

I might mention that in many cases where military transportation is following the route of a man who is going on leave, and room is available, he is given free transportation.

NATIONAL DEFENCE

ADMINISTRATION AT PETAWAWA CAMP—INQUIRY AS TO REPORT

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): In the absence of the Minister of National Defence as well as the Acting Minister of National Defence, I should like to direct a question to the parliamentary assistant to the Minister of National Defence. Can he assure us that the report by Mr. George S. Currie will be presented to this house before we rise for the Christmas recess?

Mr. J. A. Blanchette (Parliamentary Assistant to the Minister of National Defence): I have no information on that matter, Mr. Speaker. I shall take it as notice of a question.

Mr. Drew: In view of the assurances given last spring, may I ask that steps be taken towards ascertaining when this report will be ready?

Mr. Blanchette: As I recall, Mr. Speaker, before the Minister of National Defence left this question was asked, and he replied that the report would be given in the course of the next few days.

Mr. Drew: Mr. Speaker, I am directing—

Some hon. Members: Order, order.

Mr. Drew: I am directing my remarks to you in the form of a question. Last spring, on April 21, assurance was given to this house that a report was to be presented at the earliest possible date. This house acted upon that statement. In answer to several requests, we have been given no information, and I suggest that the department is in contempt of this house in the course it is following.

Mr. Speaker: I am sure there is nothing that I can do with respect to the matter.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, December 11, consideration of the motion of Mr. J. L. Deslieres 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. Blackmore.

(Translation):

Mr J. H. Rousseau (Rimouski): Mr. Speaker, I would like to sum up in a few sentences the remarks I made before the adjournment of the house last night. I gave, first of all, the reasons why I am speaking in French again this year. I then offered you my congratulations for the way in which you have improved your pronunciation, especially when you read the opening prayers in French. I then added my tribute to the congratulations already offered the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne.

I then congratulated the members of the press gallery, whom I called the photographers of our ideas, of our feelings and of our speeches, which they have the art of condensing in such a way as to please their readers. I then mentioned extraordinary happenings and even heavenly interventions which contributed to the allied victory during the wars of 1914-1918 and 1939-45, wars for which the allies were not prepared. I also stated that those two wars were very costly in money and human lives, and had it not been for the courage and the indomitable energy of the Right Hon. Winston Churchill, after the disaster at Dunkirk, the whole world would be today under the intolerable yoke of nazism. I have expressed my sincere thanks to the hon. ministers, to their parliamentary assistants and their subordinates for their liberality in meeting all just and reasonable requests from my electors. I stated that the Liberal government was managing the business of Canada in the interest of Canadians, in much the same way as directors of large corporations do, in the interest and for the benefit of their shareholders.

I now pursue my remarks. In my humble opinion, three factors may help us to prevent another war, which would be more terrible, more devastating than the wars of 1914-18 and 1939-45, because of the new weapons now in use. These three factors are:

First, the rosary crusades spreading the recitation of the rosary all over Canada. This is the answer of the faithful to the request they received from our Lady of Fatima.

Moral rearmament, that admirable movement which has produced such good results in the countries where it is known, which puts order into every class of society, from the point of view of spirituality and morality as well as from that of human endeavour, has made of all those men and women who have taken part in it citizens respectful of moral, religious and civil laws. I might add that it is this movement which communism fears above everything else.

And finally, this expensive but necessary preparation. Dollars, once lost, can be recovered, but not human lives.

I therefore believe that we must not criticize the government on account of the expenditure involved in this defence effort, especially since all the moneys spent have been honestly spent.

In spite of this enormous expenditure, the government have found a way to legislate for the Canadian people in a wise, farseeing fashion, to carry out those works necessary to a healthy national economy, from one ocean to the other, such as the Halifax-Dartmouth bridge or the Canso bridge in the east, the St. Lawrence seaway project in central Canada, the irrigation of 500,000 acres of land in Saskatchewan.

Among those wise legislative measures I shall mention but two: those concerning old age pensions and family allowances.

During my 50 years' experience as a country notary, I have been the confidant of many families who found themselves in sorrowful situations. Very often an old man or an old woman, after having given away all their earthly goods to their son, would come crying for an explanation of certain clauses of their act of donation, wondering whether they could be deprived of their annuity. This meant that the son wished to get rid of his aged parents to cease paying them an annuity. Today, thanks to that wise and provident piece of legislation, the children would like to see their aged parents, who are the protectors of our families, live as long as possible, because they will continue to receive monthly cheques of $40 as long as they live and share them with their children and grandchildren.

We are all Christians and we all know the great commandment, "honour thy father and mother". This act, therefore, helps children to put this commandment into practice; these young people thus ensure for themselves happy old age, because, as you well know,

Mr. Speaker, we reap as we sow. Therefore, honour is due to the Liberal government for having initiated this wonderful policy of old age pensions at 70. An old man has no longer the strength and courage to beg for himself; he now finds joy and happiness in his generosity to others.

Honour is also due to the Liberal government for their family allowances, which in the case of each child, from the day of his birth to the age of 16, amount to a total of $1,188. Since that act has been in operation, one can see convents and colleges full of pupils who would not be, without the allowances, in a position to attend these courses. Mr. Speaker, I have received hundreds of letters from mothers in my constituency, asking that the allowances be doubled, instead of spending money for war purposes.

To this I will give a frank and clear answer. Defence expenditures, as I have attempted to demonstrate, are absolutely necessary to the security of Canada and of its people. In fact, if the communists should ever take control of this country, liberty in all its forms would disappear; religious, civil and individual freedom. Everything would become the property of the state. That would, of course, be the knell of family allowances such as we know them now.

I am therefore convinced that everyone will readily admit that it is preferable to continue our defence effort so as to prevent this and keep family allowances at their present level.

I hasten to add though that, as soon as the danger of war has passed, as soon as defence expenditures cease, I will ask the government to increase, to double even, the family allowances which are such a boon to our large families.

I will also ask the government to assist those incapacitated persons who, while they are not old enough to receive the old age pension, and are not entitled either to the pension for the blind, are yet unable to earn their living and weigh heavily upon their families.

Mr. Speaker, should we set aside our present government which is a good government made up of honest, competent, conscientious and devoted ministers, for the sole reason that a change is in order? Do the shareholders of a company ever cast aside directors whose management has been wise and who show yearly surpluses? Of course the answer is no.

That is why we Liberals believe that the population of Canada will keep its trust in the Liberal party which gave the nation such good laws, which administers public affairs so honestly that bank deposits are larger than ever, and which allows all social classes more comfort and more pleasures than they have ever enjoyed since Canada came into existence.

The ship "Canada" is manned by a first-class crew. Her captain is prudent, enlightened, conscientious and thoroughly honest. Indeed our very distinguished Prime Minister has succeeded in surrounding himself with officers who are both qualified and hardworking in their own sphere. Then why should we change, since the consequences of such a move cannot be foreseen. In that respect, I beg leave to retell one of the witty stories which that great Canadian, Sir Wilfrid Laurier, told in 1908 at Murray Bay, in Charlevoix county, during a speech he made before a large gathering of people.

"My good friends," he said, "our opponents ask you to elect a new government. Would you be any better off if you did? I claim that you wouldn't. Let me tell you a story as old as the world but very true: The Lord had finished His wonderful creative work, the universe He had made so beautiful because He wanted the happiness of Adam and Eve to be as perfect as possible. These two human beings were perfectly happy in the garden of Eden, as they had been for a long time, when Satan, jealous at the sight of their happiness, came to Eve and asked her if she was happy. Eve answered that they were.

"And Satan said to her: 'You cannot be perfectly happy since you cannot eat those beautiful apples on that tree. I know that you have been forbidden to eat of that fruit but that is because the Lord does not want you to become His equals. Eat of that fruit and you shall be as gods.' And Eve went to Adam and was so successful in her pleading that both of them ate of the fruit. You know what happened afterwards to the human race, what we have had to pay for that grave error committed by our first parents."

To bring my speech to an end, I say: We have a good government, let us keep it.

(Text):

Mr. W. Chester S. McLure (Queens): Mr. Speaker, I rise to say a few words in this marathon debate that we have been having. All hon. members can take part in it. They can all start at scratch and go to any limit they wish up to forty minutes, and then some. The debate has been on the consideration of the speech from the throne, as delivered by His Excellency to the Senate and the House of Commons. Our province was very pleased indeed to receive a visit last fall from His Excellency. We enjoyed his stay

very much, and I think he did also, but it was very brief. We hope that when he comes to visit us on another occasion he will spend at least two or three days in our province, to see the best bit of red earth in the whole of Canada. I would also suggest to His Excellency that he take a tip from his predecessor, and come and have a couple of vacations in our province while he is holding the high office of governor general of Canada.

There are many things that one could discuss in this debate, but first of all, I suppose, according to custom, I must congratulate the mover (Mr. Deslieres) and the seconder (Mr. Schneider). There are others who could be congratulated, and later on we shall have an opportunity to congratulate them also.

During the recess a vacancy occurred in the cabinet. A real fight took place to get that position. Dame rumour says that it was really a cat and dog fight and the Prime Minister (Mr. St. Laurent) had a difficult time to restore peace and harmony in his party. The only way in which he could do it was by appointing two men from one province, something that is seldom if ever done on a racial basis, but that is the way it was done on this occasion. In this connection I should like to refer to something I have mentioned before, namely, the Liberal party's neglect of a particular province. They always ignore the ninth province, the province of confederation, when appointments are made, and when an opportunity arises to make an appointment to the cabinet.

I was proud to listen to the hon. member for Royal (Mr. Brooks) when he spoke on this question. He went on to say that in justice to the maritime provinces, and in particular to the province of Prince Edward Island, when the opportunity was there the parliamentary assistant to the former Minister of Fisheries should have been one of the men chosen and he should now be Minister of Fisheries. What the hon. member for Royal said on that occasion must have convinced many hon. members on both sides of the house that Prince Edward Island was ignored again when the last appointments were made to the cabinet.

Mr. Gibson: You have four Senators.

Mr. McLure: You are not one, anyway.

Mr. Gibson: I come from Vancouver island; we have not any and we have four times the population you have.

Mr. McLure: You had better stay there; you know where you are well off.

When the hon. member interrupted me I had just about finished dealing with the parliamentary assistant to the former minister of fisheries. According to an item which appeared in one of the Ottawa papers, there is still an opportunity for our province. The item says that there is still an opportunity to make way for the hon. member for Prince (Mr. MacNaught) by making him the Solicitor General. We shall wait and see who's who and what's what when that appointment is made.

I was glad to note, when the different appointments were made, that a co-cabinet minister, you might say, was given to the Minister of National Defence (Mr. Claxton). In my humble opinion the Minister of National Defence has had a job of work to do which it was impossible for any one man to do, particularly because of the difficult times through which we are going. Now he has an assistant and I hope that we shall be able to get more information. I am sure that all members will agree with me that the Minister of National Defence, who now has an assistant, has been doing more work than all the rest of the ministers of the cabinet put together. I hope he will be able to take his work a little easier from now on.

The Liberal party has never kept faith with our province. We always hope that they will mend their ways and give us some opportunity not only to be represented in the cabinet but to get what we really deserve in other ways.

Before proceeding with my general remarks I should like to mention something that has been mentioned before by other speakers. I refer to the adverse publicity that our province has received from a periodical known as *Maclean's* magazine. Considerable comment has been made on this adverse advertising. The junior member of the dual constituency of Queens (Mr. MacLean), when speaking on the tourist trade of our province, made some reference to this. Speaking of the periodical which contained these items he made this remark, as reported at page 362 of *Hansard:*

> I myself have eaten in most of the public eating places in Queens county.

Then he went on:

> Mr. Speaker, you will agree with me when I say that both the senior member for Queens and myself look reasonably well fed.

As one of the two living examples referred to in these remarks, I want to place credit where credit is due. For the last fifty years or over I have had the same culinary employee or, you might say, the same culinary expert in charge of my cuisine, and that expert is my wife. The junior member for Queens has just started out on that kind of campaign, as a first trial.

Let me say that I have received a great many letters with respect to the advertising

I have mentioned. Some of those letters I could not put on the record because I think their language would be considered unparliamentary. I might however refer to one item I have here, which is contained in a column headed "As The Journal Sees It", purporting to be written by one who describes himself as "J. J.". The *Journal* writer is giving his version—and this, may I add, is the Summerside *Journal and The Pioneer* published at Summerside, Prince Edward Island. This writer who signs himself "J.J." is quite distinguished in his field.

That portion of the column to which I make special reference is headed "By Gorsh!!", and begins with this little poem:

> Some photos—by Karsh!
> Can really be harsh;
> So say cattle owners
> Near Fullerton's marsh?

Then the writer goes on to say:

> This big-feeling foreigner, now Canadian, who visited Charlottetown this summer on his tour for *Maclean's* magazine, is quoted in the last issue of that publication as saying that the cuisine in Prince Edward Island was lamentable and the worst meal he's ever eaten in Canada was at the hotel where he stayed in Charlottetown. His worst experience at the island capital was when a dish alleged to be potato Florentine was set before him. "Karsh simply buried his face in his hands at the fearful sight," *Maclean's* tell us.
>
> This is terrible, indeed. A tremendous let-down from the savory dishes of Arabia, or what have you, to which he had been accustomed before coming to this unsophisticated land of Canada.

That is some tribute to the gentleman who came down there! He deserves it all; and I would add only this—not as "J.J." but as myself—that if and when this individual may, perchance, visit my province again, with *Maclean's* magazine in his teeth, he will be as welcome as a skunk in a nudist colony.

We have had in our province visits from some of the finest ladies and gentlemen, who have spent holidays there. Any province would have been proud to have them. We have visitors of different kinds coming in from time to time, and during the last season there was the usual number. In addition to the regular tourists we always had some political callers.

Perhaps I might mention one or two of these who visited us in the past season. One of them was the Minister of Transport (Mr. Chevrier). He called on me, and we had a friendly visit at my home. I was glad to have a call from this gentleman, because many of the politicians who come down from Ottawa give me the go-by.

Then, that stately gentleman, the Minister of Resources and Development (Mr. Winters), visited the province, and was good enough to phone me and express his regrets—and I believe sincerely—that he was unable to visit me. I was glad, though, even to have the telephone conversation with him. We were delighted to have these two gentlemen visit our province while they were on business. However, I think I deserve a call from even the best, as well as the worst of them.

I had a most enjoyable visitor at my home in the person of the jovial member for Ottawa East (Mr. Richard). The hon. member for Lambton-Kent (Mr. MacKenzie), too, paid me a visit at my own home. We leave our door open for any of these visitors who might wish to pay us a call during the holiday season.

If *Maclean's* magazine wanted to get some information about Prince Edward Island, why did they not get in touch with some of the people who have been coming for years to Prince Edward Island, rather than go to a foreigner—who is now a doubtful Canadian—looking for a report they might publish later as, in this instance, they have done.

I am sorry I have had to mention this occurrence today. However, I do so in order that hon. members on all sides of the house may know what has been said and done in discrimination against the best tourist ground to be found anywhere in Canada.

It was not my intention to say anything about transportation but, after what happened a few days ago, perhaps I should make reference to it. As hon. members know, I have always discussed the subject of transportation because it is the very lifeblood of Prince Edward Island. It would mean a great deal both to the buyers and to the marketing board if we could have what we should have, and that is far better transportation facilities than we have today.

Let us refer, for a moment, to what took place recently. On Tuesday, December 9, before the orders of the day were called, I asked a plain and wholesome question of the Minister of Transport.

This was my question:

> Has the Canadian maritime commission reported to the minister with reference to federal aid for improvements to the ferry service between Wood Island and Caribou, the connecting line between Prince Edward Island and Nova Scotia? If not, why not?

The answer I received to that was one big, plain, No. It would seem the answer to the first question was that there has been no report. I suggest however that an answer could have been given to the last part of my question in which I asked why no report had been made. As the representative of the people of the constituency of Queens and of Prince Edward Island in general I deserve a decent reply to that part of the question.

If he had desired to do so he could have said that he would go back to this buffer commission and ask them to make a report immediately. It is the same old deal so far as we are concerned. The Northumberland Ferries Limited has made representations to the government on several occasions but they have always approached the wrong body. They go to the Canadian maritime commission, and according to the terms of confederation of 1873 between the province of Prince Edward Island and the Dominion of Canada that commission has no authority whatsoever to deal with the question of transportation. The maritime commission is simply a buffer commission. I notice that my secretary put it as "bluffer" commission. It is only a buffer commission for the Minister of Transport and the government.

As I said a year ago, when the representatives of the Northumberland ferry company come here they should never have anything to do with this buffer commission. They should make their demands on the Minister of Transport and the government. They should place their arguments and claims before them and file their brief with them. Then they would not have to wait for days for the buffer commission to make up excuses for the government so that they can turn around and say, "According to the maritime commission we cannot do this" or "we cannot do that".

I said a moment ago that I was not going to say anything about this matter but now that I have entered upon it I will say a bit more. The brief that was presented to the Canadian maritime commission on behalf of the Northumberland Ferries Limited was an excellent one. It gave all the details, facts and figures and pictured the growth of this private enterprise ferry system from the time it started up until now. In the last two or three years the situation has become such that the ferry company cannot handle more than two-thirds of the freight, passengers, automobiles and trucks requiring transportation from Caribou on one side of the strait and Wood Island on the other. If you wish to cross the strait in the busy season you have to make application forty-eight hours before the boat sails for space for your car or truck unless you have a priority.

What we want there and what the Northumberland Ferries Limited is seeking is assistance. The company is not coming to the government asking for something for nothing. It is asking for assistance to obtain another ship or two, at least one large one, in order to take care of the traffic that has originated at these points ever since the service came into operation. It is the only link we have binding Prince Edward Island and Nova Scotia. Members of the house may not know our troubles and the perplexities of our transportation system, but judging by what I have seen of other hon. members there is not one of them, in fact there is not a province in Canada, that would stand for the deal we are getting from the government with respect to transportation.

All hon. members know that it took about four years of harping at the government before we got the *Abegweit* for the run between Borden and Tormentine. We now have an excellent service there but it is not capable of handling all the freight that is offered. In the busy season we want extra transportation facilities. When we entered into confederation that was one promise that was made to us. That is in the agreement, and no Liberal government has ever tried to fulfil the terms of the agreement. We have a good ferry service between Borden and Tormentine but the thanks for that must go to the Borden administration. When Sir Robert Borden was campaigning in 1910 he said that this service would be provided and it was, but forty years after we entered confederation.

I repeat that there is not another province in Canada that would stand for even five years for not having the terms of its confederation agreement fulfilled. I often think there should be some way whereby when a province is unjustly treated by the dominion it could have the opportunity to take its case before the judges of the country and argue its claims. Not half of our terms of confederation have been fulfilled. A commission was appointed to look into the matter in 1926 under the chairmanship of Sir Andrew Rae Duncan. It was a wonderful commission. He went into a great many details and made recommendations but the Liberal government has not fulfilled one of them although they appointed the commission.

I must say, however, that in the short time the Conservative government was in power some of the recommendations of the commission were fulfilled, and I can assure the house that when a Conservative government takes office we will look to it for the proper fulfilment of the terms of confederation of 1873. The buffer maritime commission, which is now just dilly-dallying and which has the government and Department of Transport behind it, says, "Well, let it go; we will let you know later." The same thing happened last year, and what was the result? When the busy tourist season came along we could not handle half the tourists who came to Caribou wanting to cross over to Wood Island. Let me repeat that we are not begging from the government. All we are

asking is that consideration and assistance be given so that we can get a larger boat or two and also a subsidy because the Borden-Tormentine ferry receives a subsidy.

There is a difference in the subsidies paid to the two ferries. The Northumberland Ferries Limited comes to the government each year and asks for a certain subsidy. If it is granted they know what it is. On the other hand, a subsidy is provided for the Borden-Tormentine ferry system but it is one that is dictated by the Canadian National Railways according to their bookkeeping system. They do not know at the start of the season what it is going to be and when they ask for it at the end of the season they are told what the subsidy will be according to their bookkeeping. That has to be paid to them by the government. The Northumberland Ferries Limited are not asking for that; they are asking only for assistance which will be known from the start for what it is.

I might say further that the people get disgusted with the way the government is using them in the way of transportation and they ask me what is going on. They say to me, "Is the government trying to sell us out to the Canadian National and do away with private interest?" That is what is going on. We hear it every day. They are afraid an attempt is being made to get rid of the competition by Northumberland Ferries Limited.

As everyone knows, the government owns the Borden-Tormentine ferry. Its operation is turned over to a subcontractor, the Canadian National Railways. I have nothing against the Canadian National Railways, but I do have something against the government. The running of this ferry was handed over to the Canadian National Railways who had not invested a dollar in it. Up until three years ago they had the power to charge whatever freight rates they liked.

When I came back here in 1945, I remember, trucks were just commencing to handle produce from Prince Edward Island. A loaded five-ton truck leaving Prince Edward Island for the mainland was forced to pay $60.65 for the return trip. They just could not make that much profit on their load. By continued fighting in the house it was finally got down to a reasonable rate, but the rate has not reached the point where it fulfils the terms of confederation. There should be a free ferry system to provide the fulfilment of the terms of confederation of 1873. There is a good deal more I could say about transportation but as the minister is conveniently absent I shall rest my case right there.

[Mr. McLure.]

I seemed to be unlucky on December 9 when I disturbed some ministers of the crown by asking a question which apparently made at least two of them somewhat disgruntled. The question I asked was about a dominion building and will be found on page 459 of *Hansard* of that day. I got what I thought was a snooty answer, something I did not expect to get. However, there always comes another time. I could not reply at the time I asked the genial minister what I thought was a civil question. My question was as follows:

> I should like to ask a question of the Minister of Public Works. Are the plans and specifications for the oft-promised dominion building at Charlottetown being completed? If not, why?

A little while ago I referred to the answer I got as being snooty. I do not know whether that term is good enough or strong enough, but I did not expect the answer I got which was:

> I believe it deserves a special answer.

I got a special answer all right.

> It asks first: Are the plans and specifications for the oft-promised dominion building at Charlottetown completed? First of all, it is known that the hon. member has promised that building for a long time—

That is very true.

Mr. Fournier (Hull): That is a good answer.

Mr. McLure: The minister's answer continues:

> —and he is having trouble to implement that political promise.

An hon. Member: That is true.

Mr. McLure: I do not know that I am having trouble, but there are likely to be others, besides myself, having trouble. The minister continued:

> Secondly, the plans are not completed. Then he asks: If not, why? Well, we are trying to make perfect plans for a perfect building at Charlottetown.

Mr. Fournier (Hull): Don't you agree?

Mr. McLure: Then McLure got up and said:

> It is strange, is it not, that the plans are not completed, when—

Rightly so, the minister would not allow me to debate the subject there and then. However, I just want to put the minister right on this. He says that I have promised. Knowing him as I thought I knew him, naturally I believed what he told me. I went back to my people and told them. Furthermore, we know that all these things are on tap during an election and the people wanted to know about this dominion building. Just prior to the last election—this may have been good advertising for the Liberals—an artist's drawing of this huge building, which might

be considered specifications of a kind, was published in all the papers in Prince Edward Island. I do not know whether such things are done without the Minister of Public Works knowing about them.

Mr. Fournier (Hull): They may be.

Mr. McLure: The minister should know more about his department before he makes the statement that I promised it. These things come out and naturally when he tells me that he has bought the property down there I believe him. The records show that a year ago he told me that all the properties had been paid for. I do not know, that may be true or it may not.

He told me also that they are running a rental system down there, that they have engaged a man who rents their properties, collects the rents, and keeps the properties in repair. But the minister does not know when this building is going to be built. I venture to say that there will be a promise just as soon as the next election—

An hon. Member: Again?

Mr. McLure: I will not believe it anyway. According to what the minister said when answering my question and when he put the blame on me—

Mr. Fournier (Hull): Oh, no.

Mr. McLure: I took the first part of—

Mr. Fournier (Hull): On a question of privilege, I did not blame the hon. gentleman. Many people in his province have promised that building. He is not the only one. A good many people are in the same boat.

An hon. Member: The boat is leaky.

Mr. McLure: The minister promised it too.

Mr. Fournier (Hull): I may be in the same boat too.

Mr. McLure: Your boat is leaking. If you do not bail it out soon you will go down with it. I just wanted to refer to this reply that I got the other day. I was not satisfied with it. I might say also that I did not deserve it, because I have always tried to treat the ministers of the crown as they should be treated. At the same time, I want to say to him now that, as long as I am here representing the people of Queens county in particular and Prince Edward Island in general, I shall have my say and I will not be choked off by any minister under any consideration. If the minister did not know that before, I am telling him now firsthand and I mean it.

We come now to something a little more peaceful. I did want to make a few remarks about the highway, but I would not have time to thoroughly develop the subject before my time would expire. I might ask you, Mr. Speaker, how much more time I have.

Mr. Deputy Speaker: Since the hon. member has been kind enough to ask me, I am pleased to inform him that his time has already expired.

Mr. McLure: I was going to say a few words—I think I have forgotten what the subject was. There is one subject that is always dear to my heart, and that is the fisheries of North Rustico, the place from which I come. I want to say something about that, but it will be more or less pleasant. Last year in North Rustico, one of the best fishing ports in the maritime provinces, they had a tremendous storm that carried away the breakwater. The fishermen were anxious to have this repaired, so representations were made to the department. I must say the department started the work immediately during the summer of 1952. The breakwater has been repaired, but there is a lot more work to be done.

On behalf of the contractor, I want to say that he did the very best job possible. I take the word of the fishermen for that, because they know whether or not it was a good job. However, when the contractor was making up his plans he did not understand how much underwater work there was to be done, and I am sure, therefore, that this contractor will lose money. I hope the government will give him something for the extras.

I was going to speak about this storm that occurred last year. First of all I might mention that lobster, mackerel and cod are caught off this port. Lobster fishing takes place early in the season. During the winter the fishermen prepare their own traps, and if even a small wage is charged for making these traps, the cost of rope, lumber and nails makes the trap worth about $3.25 before it goes into the water. Some 12,000 traps from this village of Rustico went into the water on the first of May. The lobster fishing season is short, but ten days after the traps were out this storm occurred and they lost over 50 per cent of the gear they had put out. Fishing had been good, but 50 per cent of the production was lost, and because the season is short a fisherman cannot rebuild or repair his gear.

In so far as the next season is concerned, the fisherman is still handicapped because he makes barely enough for a living. The next season he applies to the government to get some form of assistance, and I believe a scheme of insurance is now being worked out amongst the fishermen. They will contribute to it, as well as the government, and when such a loss occurs, as it does about every

third or fourth year, then the fishermen will have a chance of recouping their losses.

I might say a great deal more about this subject, but I did want to mention the fact that during the last year the fisheries department have advertised that they are going to spend millions of dollars to send assistance to Ceylon. The department believes this is wonderful advertising. It is stated that the department is going to give them a million dollars or more, in addition to boats and sending good men to teach these people how to fish. In my opinion it would be far better for the government to buy the surplus fish in the warehouses in this country, and provide these people with plenty of fish to eat. It would take this surplus production off our market at the present time.

I know you are getting uneasy, Mr. Speaker, but in conclusion I want to say that there are other things that are quite dear to my heart about which I should like to have the time to speak. One of them is the rural mail couriers, who have never been properly treated. Then there are the people who are incapacitated. However, we shall deal with those subjects when the opportunity occurs later.

Mr. H. A. MacKenzie (Lambton-Kent): In rising to take part in this debate this afternoon, Mr. Speaker, I am aware and fully appreciate that this order of business has been before the house for at least three weeks, and that any remarks or suggestions that I might make will be largely repetitious. It seems to me that I have been in this house for quite a number of sessions, probably too long, but I would say that in my opinion I have never made a partisan speech. I feel that there are enough politicians in the house without me. I was elected and chosen as a member whose duty it is to represent all the people and all the factions in the riding, to give consideration to suggestions that are made and, to the best of my ability, to keep the record straight while at the same time being true to myself.

I would crave the indulgence of this house this afternoon to divert from that record for a few moments. I wish to refer to some statements, and what I believe are unfair references, that have been made by members in neighbouring constituencies. I refer to the member for Middlesex East (Mr. White) who, in his remarks on November 25, 1952, as found at page 89 of *Hansard*, said:

> One thing I should like to mention particularly is the reference to mail courier contracts. The Conservative party has long pointed out that changes were due in our rural mail service. Last fall many of the Liberal members from western Ontario took part in the debate on the postal estimates, and all mentioned the rural mail service. It was quite obvious that they had been tipped off that changes were going to be made and therefore they had better get in on the ground floor.

To me that was an interesting statement for him to make. I should like to remind the hon. member for Middlesex East that rural mail delivery was established in this country over 45 years ago, and that the same method of awarding mail courier contracts —by calling for public tenders—as then initiated still prevails. According to the Post Office Act the contracts must be awarded to the lowest tenderer, if the party is reliable and provides good bondsmen.

I am sure that if he will look up *Hansard* of former years he will find that many hon. members spoke in this house on the evils of this system at least ten years before he came to this house, and not just on the eve of an election, as he states. I am sure that the party to which the hon. member adheres sat on the government benches for some time during that long period, and they did not change those regulations or even improve them. I am sure that some of the members in this house recall the period of 1930 to 1935. I believe the postmaster general at that time was Hon. Mr. Sauve. What did he do in 1933? For at least the greater part of that year all rural mail couriers whose contracts expired during that period were not given the privilege of renewing their contracts even at the previous tender price, but were ruthlessly told that they could only get a contract by slicing the cost. Some were offered a four-year contract with a ten per cent reduction, some even more than that. They could take it or leave it or it would go for public tender. Those were the so-called hungry thirties, and the couriers had no choice; they had to take what was offered and sign up for a four-year contract.

When I came to this house in 1935 I went to the post office officials and endeavoured to have those mail contracts restored to their former level but I was told by the officials that they could do nothing about it, that they had signed up for a four-year contract and there was no provision to raise their pay without the calling of public tenders. These mail couriers never obtained any relief until this government brought in an act called the Mail Contracts Supplemental Payments Act in 1947. It was then extended to 1948 when all mail couriers received an adjustment in salaries at least to some standard of equal pay for their services. I am sure that the rural mail couriers throughout Canada—and I am speaking particularly of those in Ontario—will not be fooled by that story of the hon. member

for Middlesex East, for they know what treatment they received during that regime.

There is an old adage to this effect; if you want to know what a man's future is, look into his past. I would say that adage applies to political parties as well; and to the hon. member for Middlesex East I would suggest that, before he makes any statement like the one to which I have referred, he had better review some of the past records of the Post Office Department and their operations during the last forty years.

At this time I should like to bring to the attention of the Postmaster General (Mr. Cote) the fact that the house has now been in session since November 20, that we are looking for that committee of the house to be set up to study and to make recommendations with regard to this problem and would like to have it set up as soon as possible after the Christmas recess.

I wish now to discuss a question that has had a great deal of publicity on the radio and in the press as well as in this house during the past two weeks. I refer to the sugar beet industry of Canada, particularly as it applies to Ontario and to my own riding of Lambton-Kent.

My colleague the hon. member for Kent, Ontario (Mr. Huffman) a few days ago gave an interesting résumé of the sugar beet industry in Ontario, especially as it applies to Chatham; and the hon. member for Lethbridge (Mr. Blackmore) also gave us some interesting data on the sugar beet industry in Alberta. I wish to point out to this house that Wallaceburg this year is celebrating its 51st anniversary, with the distinctive record of having the oldest and the second largest sugar beet factory in Canada.

The operation of this plant alone is of vital importance to the livelihood of some 2,000 farmers, 500 factory workers and a countless number of field workers, merchants, truckers and many others of the community who are viewing with a great deal of concern the importation of Cuban refined sugar into our market here in western Ontario. Already the movement of Cuban refined sugar into Canada approaches in volume the annual production of our local plant in Wallaceburg. Some 12,000 acres of sugar beets have been grown in this vicinity to supply the Wallaceburg plant. The beets have recently been harvested. Last year the farmers, for a similar acreage, received approximately $2,200,000. Losing this important industry would undoubtedly depress the farm and urban economy of this whole community. So I will endeavour to put on the record some information with regard to the actual situation that has brought about this condition; and again I want to be fair in this analysis. If my figures are not correct, I am sorry. I may say that I obtained them from what I felt were quite authoritative sources.

As has been stated by previous speakers, we have in Canada seven sugar beet refineries situated in four provinces, and they have just concluded a season during which they have operated to almost full capacity. This year the beet sugar in Canada will meet about one-quarter of all our requirements here in Canada. We must remember that the actual refining operations last only about three months in the year or a little bit better, but it is a most important industry in our whole farming operations.

The hon. member for Lambton West (Mr. Murphy), when speaking in this house on this question a few days ago, said that early in October a delegation had come to Ottawa to interview some government officials and that no newspaper reporter was present but that a statement was made to the press afterwards, perhaps as an alibi. I can readily understand why the hon. member for Lambton West would think this to be strange, because I feel sure that if he had been on that delegation everybody would have known about it.

This conference and the delegation were organized by the refineries and the growers from all four provinces and they were well represented. I was with them for two days and assisted them in every way I possibly could. Believe it or not, I have been closely associated with the beet growing industry and with the beet growers for the past 25 years, and I know something about their problems and about what the industry means to this country. Many a time I have come to Ottawa with various delegations. I see no useful purpose to be gained in calling in the press, for occasionally one can accomplish more without too much publicity. But on this occasion I am confident that no effort was made by anyone to exclude the press. I have never read an account of it anywhere in the press, and in any case I can see no importance or no significance attached to that statement.

The facts are that we cannot increase to any marked degree our sugar beet production in Canada unless we have more refineries. That being true, we must import from other countries 75 per cent or more of the sugar that we consume in Canada. It is difficult to obtain the actual per capita consumption of sugar but it is high, and will probably average between 95 and 100 pounds per capita per year, so that our actual requirements would be something over thirteen million

hundredweight. In the past this has nearly all been imported as raw sugar. I am talking now about the importation of cane sugar. In the past twenty years very little refined sugar has been imported into Canada, but the bureau of statistics has not kept the records of imported and refined sugar separate until this year. I have received the following information from the bureau of statistics of the amount of raw sugar imported into Canada and the cost of same for the years 1950, 1951 and the first nine months of 1952, since that is the last record the bureau has. With your permission, Mr. Speaker, I will not read these all out, because I have them here on record and I have the data from the bureau of statistics. It would only take up the time of the house. If you want me to read them I can do so, but they are lengthy. They are as follows:

In 1950—12,655,393 hundredweight at invoice cost price of $76,409,211.

In 1951—10,664,393 hundredweight at invoice cost price of $73,395,230.

For first nine months, or up to Sept. 30, 1952:

7,660,361 hundredweight at an invoice cost price of $40,165,880.

That is based upon the f.o.b. shipping point in Cuba or West Indies, or wherever it was. Added to that of course is the duty, the freight and the cost and so on, so that the cost per hundredweight of this sugar in 1950 was approximately $6.04. In 1951 it was $7.07 per hundredweight. For the first nine months of 1952 it was $5.24 a hundredweight. Therefore I would gather that on a market that was rather weak the last three months would probably reduce the cost of sugar somewhat, so that the cost of raw sugar to the refineries in 1952 would be $1.83 less than the cost in 1951.

The price quoted by the hon. member for Lambton West (Mr. Murphy) in January—and I quote from the speech that he made a few days ago—showed that the drop in the price in Montreal from January until the present time for refined sugar was from $10.20 to $8.60, which is a drop of around $1.60 a hundredweight. Therefore the drop in the price of raw sugar was actually greater than the drop in the price of refined sugar in this country.

I hold in my hand an editorial from the Ottawa *Citizen* of December 2. I am not going to read it, but I will give the gist of it. The editorial in the *Citizen* claims that the current sugar difficulties spring from a three-year trade agreement made with Cuba, whereby Canada accepts 75,000 tons of raw sugar a year for three years, 1951, 1952 and 1953, and concessions were obtained by Canada for wheat, fish and potatoes in return, and also some flour.

[Mr. MacKenzie.]

I submit, Mr. Speaker, that the present difficulties we are in have no bearing on this trade treaty at all; that we had to import raw sugar from some place, and it made little difference where it came from. It might even have helped the situation to bring in this raw sugar from Cuba; otherwise if we had obtained all our raw sugar from empire or other sources, Cuba might easily have unloaded greater quantities of surplus refined sugar here.

This refined sugar from Cuba comes in under the general tariff or the most-favoured-nation treaty, which, in this case, is just the same. The duty on Cuban refined sugar is $1.89 a hundredweight, plus a maximum of 75 cents a hundredweight, if the anti-dumping regulations can be applied. Thus, if Cuba sells refined sugar in Canada at less than the fair market value at home, the sugar will be subject to $1.89 duty plus 75 cents dumping duty or $2.64 in all.

The Cuban raw sugar coming into Canada is subject to more duty than empire sugar, and the government has agreed to refund to the importers any difference so that the refineries cost will be no greater than for empire sugar. Whether this concession is of a great deal of value I am not in a position to say. I will say this, however, I am not an economist but it has increased the trade with Cuba, and as a matter of fact it costs nothing from the consolidated revenue fund, as it is a bookkeeping account. Again I quote from the speech made by the hon. member for Lambton West when he says, as reported at page 185 of *Hansard*:

Our imports from Cuba for the first six months of 1951, January to June, were $2,776,000. For the period from January to June, 1952, our imports were $10,200,000 odd. Our exports to Cuba in the period from January to June, 1951, were $9 million odd and in the same period in 1952 were $13 million odd. In other words, our imports from Cuba in 1952 were four times as much as they were in 1951 and our exports to Cuba were about 50 per cent more.

That is, of course, the hon. member is comparing the first six months of 1951 and the first six months of 1952. These figures probably suit his purpose best, but it is not a fair picture. Let me give you figures showing the total Canadian trade with Cuba, as supplied by the bureau of statistics from 1947 to and including the first nine months of 1952:

Canadian trade with Cuba

	Exports	Imports
	Millions of Dollars	
1947	7·5	23·7
1948	11·0	22·6
1949	14·4	6·6
1950	18·0	4·1
1951	20·4	8·3
1951 (nine months)	15·3	3·8
1952 (nine months)	18·5	15·2

During the first nine months of the present year imports from Cuba showed a very large increase, from less than $4 million in 1951 to $15 million in 1952. The explanation is that in the present year Cuba has been shipping her 1952 quota of sugar as well as part of the 1951 quota which could not be delivered during the previous year. At the Torquay conference in 1950 the Cuban negotiators had this picture before them, and while Canada was selling larger and larger quantities of goods to Cuba, the Canadians were buying virtually nothing in return in 1949, 1950 and 1951, as this table will show, when it is reproduced in *Hansard*. The Cubans threatened to withdraw tariff concessions previously granted unless Canada undertook to buy more Cuban sugar and goods; and the last nine months of 1952 would indicate that our trade balance was getting much closer to an equal basis.

Of course seed potatoes were sold to Cuba, but very few edible potatoes were exported because the Canadian market was the best in the world during the last couple of years. Again, wheat flour was replaced largely by wheat, as Cuba had installed milling equipment and purchased during the last year over $3 million worth of wheat. Again, the hon. member for Lambton West refers to action taken by the Bennett government in 1930. Well, I remember that situation. I do not suppose the Minister of Fisheries (Mr. Sinclair) remembers it because he was only a boy then.

Mr. Sinclair: A big boy.

Mr. MacKenzie: I well remember that situation, and it was a serious crisis for the beet industry in this country; for at that time fully refined sugar was available in the West Indies and in Cuba for as low as $1.68 per hundredweight. So on January 27, 1932, the government passed an order, P.C. 181, and gave the then minister of national revenue the authority to fix the price of sugar for duty purposes. Three days later the price was fixed at $2.30. If it sold for less than that the dumping duty could be applied.

Contrary to general belief, that order, P.C. 181, still stands, although the fixed value has disappeared because the fixed price of $2.30 would be no use now in any case.

The importation of unlimited quantities of refined sugar from Cuba or anywhere else creates a very serious problem for the sugar beet industry. It has been stated repeatedly that approximately 30 million pounds of refined sugar from Cuba have been sold in Montreal, Toronto and Hamilton during the past few months. During the last month—and these are figures from the bureau of statistics—I find that another 5 million pounds have arrived or 35 million in all, which is slightly over 2 per cent of our sugar consumption. Ontario and Quebec have approximately eight and a half million people and that would be about 4 pounds each. Most of that sugar would be consumed in Ontario and Quebec.

I submit, Mr. Speaker, that in itself is not disastrous, but steps must be taken to see that this does not continue. Next spring when navigation again opens, Cuba could, if she wished, unload, out of her huge surplus into our domestic market, quantities of sugar that could put our beet growers out of business; and another danger is she could lower her domestic price to the point where we would not be justified in applying the anti-dumping provision; for after all, her domestic market does not mean 5 per cent of her total production.

I might state that this arrangement with Cuba for raw sugar has another year to run before expiration; but this does not change the general sugar tariff regulations between Canada and Cuba. That structure remains the same. The duty on Cuban raw sugar coming into Canada in the ordinary way is $1.29 a hundredweight and on refined sugar $1.89 a hundredweight, with a 75 cents per hundredweight safeguard against sugar dumping. This same tariff and same regulation have been in effect for many years.

The truth is that Cuba had a surplus of sugar and she was probing around for new markets. She tried a few boat loads of refined sugar in Canada, paid the general tariff rate and appeared to keep her skirts clear of the dumping clause, as our customs officers assure us.

Another factor, of course, was that the Canadian dollar was at a premium, and that helped to pay some of the duty.

So far as I can determine, those importations of Cuban raw sugar have not the slightest effect on the price of sugar in Canada or elsewhere. The importation of refined sugar does not seem in general to have displaced the production of Canadian refineries, for I notice in the first ten months of this year, Canadian refineries sold 16,000 tons more sugar than they did in the corresponding months of last year. However, in southwestern Ontario, where the sugar has been chiefly distributed, they have a very large stock at the present time.

If the information that I have placed on record is correct, the statement made in the

December 1 issue of "Sugar Facts", published by the Canada and Dominion Sugar Company, and headed "Beet Industry Sold Down the River", is just not right. There is no truth in that statement. Duty on refined sugar entering Canada has not changed in years, and, as I have said previously, the Cuban treaty for raw sugar has not affected the price here in any way.

We must bear in mind that the arrangement with Cuba for 75,000 tons of raw sugar for 1951, 1952 and 1953, was not a GATT agreement—one flowing from the general agreement on tariffs and trade. It was a separate arrangement, although I believe it was discussed at some length at Torquay.

It is suggested that refined sugar from Cuba comes into Canada cheaper because of a lower wage scale in Cuba. Of course that is true; but the labour picture in all these countries during the past few years has changed drastically. I have figures from a quite authoritative source showing some of the cheap labour groups in the sugar industry in Cuba. In 1941 the collectors of sugar samples were paid $1.20 a day; in 1944, $1.98 a day; and in 1950, $4.50 per day. Mechanics in general are paid $9.90 per day, and highly skilled men at a higher rate. Of course it is true that our standard of living and our rate of pay is still much higher than theirs. The Canada and Dominion Sugar Company have two of the most modern refining plants in the world, one at Chatham and one at Wallaceburg. The hon. member for Lethbridge (Mr. Blackmore) will notice that I have used the expression "two of the most modern", because I realize that there are some good ones in Alberta.

They have made great changes in their plants during the past two years and have a huge investment—they have a most efficient staff of office workers, factory workers and field men. They have set up a superannuation plan for their permanent workers; they have also a health and hospital plan, which is a very good one. In the past few years they have constructed loading stations in many of the farming centres, erected at great cost, to facilitate the handling of beets to the railway cars. The growers themselves have made very large investments in sugar beet machinery that cannot be utilized for any other kind of farming operations.

This is no time to play politics. This problem is vitally important to the industry in southwestern Ontario, and other parts of Canada, affecting the very livelihood of many engaged in this industry.

Our sugar beet industry in Canada must be saved. It played a most important part in our economy during the last war. It has faced serious handicaps in the past and survived, and it will continue to survive. I am confident this or any other government would want to retain this industry; because if the industry were destroyed or liquidated we might well pay for it in increased prices later on, if our own industry was not available.

I am sure the government officials are well aware of the present situation and I would suggest two or three courses that might be adopted in order to protect—and I do not like the word "protect"—to safeguard our sugar beet industry from any unfair competition:

1. The government might review the Canadian tariff to see if it provides reasonable, but not too great, protection to Canadian refineries.

2. It may be that the Cuban refineries are able to buy raw sugar more cheaply than it is being sold on world markets, and thus are in a position to compete unfairly with our refineries. I hope the government is looking into this possibility, and is taking adequate steps to protect Canadian producers and manufacturers against any such practice.

3. Again implement P.C. 181 and set the price of refined sugar for duty purposes high enough to safeguard the beet sugar industry from any distress selling.

Finally, I must say I am confident that a satisfactory solution will be found to safeguard this most important sugar beet industry for Canada. Before I sit down I want to emphasize once more that it has been repeated and repeated all over the country that the agreement with Cuba, under which we take 75,000 tons of sugar per year, has caused all our trouble; but I think I have given evidence here—at least I hope I have—to show that the Cuban agreement did not affect our sugar prices in any way.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, before I come to the subjects with which I want to deal in the main part of my remarks today—trade and high taxation—there are one or two issues I should like to mention briefly as they are of particular concern to my constituency. They are, I must admit, of concern elsewhere as well, but they are amongst those national issues which at the moment we share in a particular way with the rest of the country.

The first of these is a question of which mention was made in the speech from the throne, namely the possibility of an amendment to the National Housing Act. Anyone who remembers the promises made by the Liberals in the 1945 election, a house for every Canadian family, and then realizes how

far short of their promises the housing program of the Liberal government has fallen, will perhaps feel that I have some justification when I say that there are grave doubts whether even the amendment to the National Housing Act which is now forecast will do what is necessary to meet the need.

I have no knowledge of the situation in any part of the country other than my own riding, but I do know that in the city of Kamloops and in other towns and cities throughout my constituency there is no single problem of what I might call a social nature facing the people which is half as acute as the problem of securing adequate housing accommodation. It would not be so bad if this were a problem which was only of short duration, one in which an emergency or shortage had arisen suddenly, so the people might hope it would be dealt with and that the problem would disappear as the result of aggressive action by the government. This is a problem that has continued and increased since 1945. The distress and the number of those requiring housing accommodation have both increased every year, and in my view there is nothing in the field of social legislation or social security generally which is half as important and urgent at the moment as the need of providing some means whereby the people of this country with smaller incomes can obtain adequate, decent, reasonable living accommodation at decent and reasonable rents or purchase payments.

I am certainly hopeful that the amendment to be introduced to the National Housing Act will make some start in dealing with this problem, and I can assure the minister that he will be open to even more severe criticism than he has been in the past if the forecast amendment turns out to be nothing more than another piece of election eyewash. I believe the minister to be sincere in his desire to see a solution of the housing problem realized. I can assure him we on this side of the house will gladly co-operate, and help him by way of suggestions and by way of support for any proper legislation; but I can assure him that we on this side of the house will let it be known in no uncertain terms what we think of the amendment if it should turn out to be one which is merely designed to fool the people into thinking that something will be done about housing whereas in fact, if it should be the case, the amendment falls short of what is necessary.

I should now like to turn to another subject that is of interest to the whole of the dominion. It affects different parts of the country in different ways, it is true, but for the ultimate future prosperity of the whole country I think it is probably one of the most important subjects which we can discuss. I refer to the matter of trade, and particularly to the question of trade within the commonwealth. This is a subject on which we should clarify our thinking at the outset. So often we have heard, in discussions in the house, needless denials of the accuracy of what members are saying and needless confusion created because when we on this side refer to the loss of commonwealth markets the Minister of Trade and Commerce (Mr. Howe) makes contradictory statements, sometimes even statements which could be classified as rude, as to how wrong we are in saying Canada has lost those markets.

However, we have become accustomed to that sort of attitude from the minister. But the difficulty is that he refers to what he says is the expanding trade in industrial commodities or raw materials between Canada and the other commonwealth countries, while what we are referring to primarily in this connection is the trade which used to exist between Canada and Great Britain in agricultural commodities. When I speak of the loss of our commonwealth markets it is those primary commodities which I have in mind, such things as beef and other meat products, apples, lumber, fish and other primary products for which Canada's greatest and most stable market has always been in the United Kingdom.

In that connection I might say that, so far as concerns the two products here which are of the most interest in my constituency, apples and beef, during the current year not one cent's worth of either of these products has been sold directly to the United Kingdom. The trend over the last few years has been steadily downward, a shrinking market for these which used to be our staple exports to the United Kingdom until this year, when not one cent's worth of either of these products has been purchased directly from us by Great Britain.

It is in the light of these facts, Mr. Speaker, that the country as a whole is, I am sure, so delighted to see the optimistic communiques that have been issued over the course of the past ten days from the commonwealth economic conference now taking place in London. It is of course too early to say whether the final results of the recommendations made by that conference will justify the optimism, but it is certainly an encouraging thing, especially from the point of view of our primary producers, that these communiques should be issued. It is also an encouraging thing that at long last, after repeated urgings by the official opposition and other opposition parties, this conference should have been arranged. It was not

arranged at the invitation of the Canadian government as we think should have been the case, but the conference was arranged and has been attended by very important representatives from Canada. Certainly it is encouraging to our producers of apples and meat in British Columbia.

I should say in passing that the so-called floor price policy announced by the Minister of Agriculture (Mr. Gardiner) to meet the emergency situation created by the loss of the United States market has been an unqualified flop. The floor price program has meant nothing to the producers of British Columbia. I know whereof I speak because I can illustrate the extent to which it was a farce by telling you, Mr. Speaker, that when the cattle producers of British Columbia on one occasion—this is just one example—were arranging for one of their public auctions they asked me to see if I could arrange to have the department send a representative to attend the sale because it was anticipated that a large volume of cattle would be offered and that prices might go well below the floor. They were drifting steadily lower and were just about at floor levels then. I wired asking that a representative of the department attend this sale for the purpose of supporting prices as outlined in the minister's statement of June 27. We received a telegram in reply to the effect that a representative would attend the sale as requested in my telegram.

It is true that a representative was there, but prices were not held at support levels. During the sale we spoke to this gentleman, who said it was true that he had been sent by the department. We asked him whether he was going to see that prices were held at support levels and if he was going to buy; and he said, "Oh, no, I have no authority to buy; I am here simply to observe."

That is typical of the way in which the support price program has been implemented—or not implemented—throughout British Columbia, and of the way in which the measures announced from time to time by the government have failed our primary producers.

The United States market, with all its uncertainties, affords no adequate compensation in this field for the loss of the British market. As I see it, there is only one main thing which will restore stability to agriculture and to our other primary producers in Canada; that is the restoration and the continuation of the former volume of trade between this country and the United Kingdom.

Having said that, I say again that we are delighted with the optimistic reports which have been published in connection with the progress of this conference in London. I want to make it clear that we are also very glad indeed that the two delegates representing Canada should be no lower in rank than our Prime Minister (Mr. St. Laurent) and our Minister of Finance (Mr. Abbott). I think that indicates the proper degree of importance to be attached to this conference.

Although I regret the previous attitude adopted by this government toward the question of a commonwealth economic conference, I would not for a moment suggest that the presence of the Canadian delegation, and the fact that that conference is being attended by our Prime Minister and Minister of Finance, has not contributed in a large measure to the success of the conference. I must say that the measure of our gratification at finding that the Prime Minister and the Minister of Finance were going was due in no small part to our previous uncertainty as to whether Canada would send anybody at all, because of the past attitude of this government toward the question of such an economic trade conference every time the matter has been raised in the house.

Perhaps I should pause here to observe that it was a week ago today that we had what I might call a little lecture from the hon. member for Vancouver South (Mr. Laing) on the subject of consistency. He undertook to administer a rebuke to the official opposition, the Conservative party, and suggested that we were not consistent in connection with the subject of trade within the commonwealth. I think we all know the old proverb: Consistency, thou art a jewel. If consistency is a jewel, the government's record in this regard I think can be said without exaggeration to be a fake stone.

An hon. Member: Oh, oh.

Mr. Fulton: The hon. member says, "Oh, oh". The hon. member is on the government side and he will remember that every year for the last three or four years we have pressed with every resource we could bring to bear in this house that Canada should take the lead in calling for a commonwealth economic conference. Every year the government rejected that proposal. By way of contrast with the government's previous attitude, a contrast which I think the country will be interested in having laid before it, I should like to read on the one hand some of the communiques which have been issued from the conference forecasting good results, and on the other some of the statements made in this house on previous occasions by ministers of the government who are most concerned with the question of an economic conference.

I have made a few extracts from headlines which have appeared in newspapers during the past week or so, over stories dealing with

the progress of this conference. Starting with the Toronto *Globe and Mail* of December 3 I have a headline reading—

Commonwealth leaders to sit in with cabinet—

The cabinet referred to there is of course the British cabinet. The article then went on to describe the preliminary discussions which were taking place, and to report the optimistic hopes that were expressed for good results. Then the Montreal *Gazette* of Thursday, December 4, had this headline:

Good progress made in commonwealth talk

Then the Ottawa *Journal* of December 5 headed its article for the day with this headline:

Empire leaders make headway on expanding trade problems.

The detail of the article contains the following passage:

It is understood that the commonwealth goal remains the same—the creation of conditions favourable to convertibility.

The article goes on to say:

This is not expected to happen overnight.

And again:

The conference, now entering its seventh day, has definitely shown a desire to move away from restrictionism into a situation where the emphasis will be on expansion. A Canadian source said: "Very real headway" has been made.

Then going back to the Toronto *Globe and Mail* again of Saturday last it reports a decision for which we have also been pressing on this side of the house. The headline reads:

Commonwealth decision—ask U.S. raise gold price

Then in smaller print:

Boost would aid sterling, parley view.

Then the Montreal *Gazette* for yesterday, December 11, has an article bearing this headline:

Pound plan agreed to in London

Then the article goes on to report in detail the fact that the conference hoped to find a way to institute steps which will ultimately lead to a return of convertibility between the dollar and the pound. Then there is a final report in the Montreal *Gazette* of today headlined:

PMs outline new course in economics

As I say, it is much too early for anyone to say whether or not the results will justify the optimistic headlines, but as we look at the headlines and read the details of the reports we can see that the conference has made a real effort to grasp and to deal with the problems that stand in the way of commonwealth trade and prevent the restoration of convertibility. I think we can say without doubt that they have worked out proposals in that regard which if put into effect, and with the co-operation of the other great nation of the world vitally concerned, namely the United States, will represent a real beginning in the elimination of the roadblocks that stand on the highways of commonwealth trade.

When you consider these headlines, and take encouragement from these possibilities, I am sure you will be interested, as I was, in looking over some of the disparaging remarks about the possible outcome of this conference that were made here by ministers most responsible in this connection, namely, the Minister of Finance and the Minister of Trade and Commerce (Mr. Howe).

The record goes back for some time, but today I am only going to cite one or two of the more outstanding examples of the attitude of these gentlemen to the effect that such a conference could serve no useful purpose, and particularly that Canada should not take the initiative in calling such a conference. May I remind you, sir, that Canada has more to gain from the restoration of convertibility than any other country in the world. We moved a resolution in 1950 suggesting that Canada take the initiative "in convening at the earliest possible date a conference of the nations of the British commonwealth and the countries of the empire to devise policies to restore our lost markets and thereby provide jobs for our Canadian people". This motion was moved on February 28, 1950, by the hon. member for Lake Centre (Mr. Diefenbaker).

After saying that he was always willing to go to conferences—if they were called by somebody else—the Minister of Finance said this, as reported at page 313 of *Hansard* for February 28, 1950:

While I have no doubt it will be found desirable to hold further conferences to discuss trade matters, I do not know that the holding of a full-fledged commonwealth or empire conference at this time would add very much to the knowledge of this or any other member of the commonwealth in reference to specific solutions which can be found for these trade difficulties.

I wonder if the minister will have the same statement to make about the results of this conference when he comes home. I have looked carefully, Mr. Speaker, but I notice that at no time did the Canadian delegation or any spokesman for Canada in any way dissociate himself from the communiques to which I have referred, which have been isued from the conference just concluded, so one wonders how the minister will reconcile the two statements.

It may be said, and I dare say the Minister of Finance will say, that the quotation just read was made in 1950, two years ago, and

conditions were different. But what about June 2, 1952, just six months ago? We moved the same motion on that date. The amendment moved by the Leader of the Opposition (Mr. Drew) on that occasion suggested that "the government should take steps to convene at the earliest possible date a conference of the nations of the British commonwealth to seek means by which there may be convertibility of commonwealth currencies, and to explore all the possibilities for enlarging those traditional markets upon which our prosperity so largely depends". The Minister of Finance, speaking in this house just last June—here is consistency for you—used these words as found at page 2860 of *Hansard* for June 3, 1952:

> We are all anxious to explore—I am using the language of the amendment—all the possibilities for restoring and enlarging those traditional markets upon which our prosperity so largely depends. Like my colleague,—

The reference there is to the Minister of Trade and Commerce.

> —if I thought that another conference would really advance either of those objectives I would heartily support the holding of such a conference.

But he went on to say:

> It is for that reason and on that aspect of the amendment that I feel it would be quite improper for us to make such a suggestion.

That is, that a conference be held.

Now what about the Minister of Trade and Commerce, whose department is the one most concerned with Canadian trade? He also spoke on the amendment moved by the Leader of the Opposition, and after having said a lot of other things he was finally brought around, but only as the result of an interjection, to the question of the resolution that a conference be called, and then all he had to say last June, as recorded at page 2856 of *Hansard*, was this:

> I do not think the resolution is important. I do not think I will deal with it.

I have not heard the Minister of Trade and Commerce suggest that the conference just concluded is not important. I have not heard him suggest that the communiques, indicating that the conference was making good progress in solving the problems in relation to convertibility and the restoration of trade, are not important. Where is the consistency here? How are we to reconcile the fact that this government, thank the Lord, is finally attending such a conference, and the attitude of last June 3 as revealed by the Minister of Trade and Commerce when he said at page 2857 of *Hansard* for that date:

> I want to say that if I believed the amendment to this motion would bring about convertibility of currencies or would bring about a strengthening of our trade with the United Kingdom, I would be glad to vote for it. But as I believe that the amendment would bring about no worth-while result whatever, I cannot go quite that far.

The amendment, Mr. Speaker, asked the government to take steps to convene at the earliest possible date a conference of the nations of the British commonwealth to seek means by which there might be convertibility of commonwealth currencies and restoration of trade. Last June the Minister of Trade and Commerce said that he did not believe such a move would do anything to bring about convertibility of currencies or strengthen our trade. He did not believe it would bring about any worthwhile result whatever.

Consistency? Where is the consistency in this government? The tragedy is that this conference is taking place about three years too late. If the government had been willing to discharge its responsibilities, and if it had been willing to attach, as it should have done then, a proper importance and significance to Canada's place within the commonwealth and Canada's potential influence within the commonwealth, I suggest to you, sir, they would not have hesitated to take the lead in calling such a conference as we asked them to do, a conference which has just been proven to have such possibilities of benefit.

Then we had a further lecture on inconsistency from the gentleman to whom I referred earlier, with respect to suggestions as to how trade within the commonwealth might be restored. We were asked what our policies were. I think it is a well established principle that it is not for the opposition to suggest policy. Sometimes we are willing to accept that responsibility when, as so often happens, the government does not have a policy. But they are certainly not discharging their responsibility when the government ask us how we would solve these problems. It was suggested that one or two divergent views had been expressed on this side of the house concerning how this problem might be dealt with. There were criticisms of the statements which had been made by Conservative members in the house.

It is true, Mr. Speaker, that occasionally members, speaking as members representing their constituencies, make statements which are different from those of others. But it is not the case in this party, as it is in the Liberal party so often, that those members are speaking for their party with respect to its policy when they make those statements. Our view is that a member's duty is to his constituency, and I would suggest that might be a view which it would be profitable for some hon. members opposite

to have applied on one or two occasions instead of voting for government motions or against opposition motions when their vote was directly against the interests of their constituencies. I can understand the pressure that is brought to bear on them. It is ridiculous, and it is a measure of the weakness of the government's case, when criticisms are directed against this side or defences are given of the government's policy on the basis of the fact that occasionally a private member, speaking as the representative of his constituency and most obviously speaking in that capacity, makes a statement which in some particular way has an application which is a little different from the party's policy expressed on other occasions.

I would ask hon. members, and particularly the hon. gentleman who made the suggestion of inconsistency, although he is not in the house now, how this compares with the inconsistency which is evident when a member of the cabinet makes statements of policy completely at variance with the policy actually being pursued by the government, and makes those statements in a place where he represents the government? When the gentleman making them, in addition to being a member of the cabinet is the leader of the government in that place where he makes them? That has just recently happened, yet that contradiction, that variation in policy, goes virtually unnoticed and certainly not dealt with by the government.

It would be interesting to hear—and I hope we shall do so—from a member of the government, how they explain this division. I hope we shall hear from the Prime Minister (Mr. St. Laurent) whether the statement of policy made in the other chamber recently does in fact accurately state the position and the policy of the government. It would be interesting to know.

We remember the chastisement sought to be delivered to my friends of the C.C.F. last spring by the Secretary of State for External Affairs (Mr. Pearson) when they suggested that there was not sufficient civilian control of NATO. It would be interesting to know who now is the spokesman for the government, whether it is the Secretary of State for External Affairs or the leader of the government in the Senate who happens to be minister without portfolio, because that hon. gentleman says there is not sufficient civilian control of NATO. That hon. gentleman also says that in the whole of his recent pronouncement he is not going beyond the expressions of policy stated by the Secretary of State for External Affairs.

It would be interesting to know whether the government's policy really is economic union within NATO. It would be interesting to know whether the government believes in complete trading unity within the NATO countries within the next ten years. Is that government policy? Is that where we are heading? We should like to know; and, Mr. Speaker, may I say that this house and this country are entitled to know, because that has certainly never been suggested as government policy before. But it has been stated now beyond any question of doubt that that is government policy; and in making those suggestions, and that it should be the objective to be achieved in ten years, the hon. gentleman who made them said he was not going beyond the views and the policy of the Secretary of State for External Affairs. I certainly express the hope that we shall hear from the government. In fact I should go further and say that there is an obligation on the part of the government and of the Prime Minister to state what is the position of the government in this respect, what is their policy, so the house and the country may know; and also so that, if it is not their policy, there might be the clearest statement of the fact and that the necessary steps might be taken to deal with it so the country will know just where we stand.

In this regard I should just like to place on *Hansard* one or two quotations from a constitutional authority. The first one is from Jennings on "Cabinet Government", at page 461:

> The proposals made by a minister, whether or not they have been approved by the cabinet, are the proposals of the government.

In that connection, in a rather less didactic way, Jennings has the following observations to make which, although expressed in less learned language, I think are just as pertinent. At page 258 he says:

> That puts the matter precisely; they must all tell the same story.

Then, after saying that the government must make up its mind and have one policy, that it cannot have four or five different ones, however much it would like to have them—although this government on occasion quite improperly tried to have some half dozen policies and even, on occasion, to pursue them all at the same time—at page 259 Mr. Jennings says:

> A government that cannot make up its mind on a fundamental issue ought not to be the government and will be so regarded in the constituencies. Its fall may be regarded as imminent.

However, to get away from this question of consistency itself, Mr. Speaker, and using

it as a channel along which one may come back to this question of trade, let me say this. You will remember that it was suggested that what had been said on one or two occasions was not consistent with the policy of "trade, not aid" which—as we have said ourselves, and as we repeat—should govern our attitude on this question of trade within the commonwealth. We have always said that we must buy from the United Kingdom if we are to sell to them. That has been our position over the years. In fact we have suggested and we still suggest that it is up to Canada to buy, particularly in the defence field, those things which we do not ourselves produce and which the British are qualified and best equipped to produce. What has been the result of government policy in this regard? Hon. gentlemen opposite piously suggest that the government is consistent here. What has been the result of their policy? I point out that a report which was issued by the bureau of statistics shows this with respect to the last year:

On imports,—

I may say that I am reading from a Canadian Press dispatch summarizing the report.

—the U.S. supplied 74·8 per cent of Canada's needs, up from 70 per cent in the previous year, while the proportion from Britain dropped to 8·3 per cent from 10·7.

That is the government's record in that regard. Yet they piously say that the only solution is trade, not aid, and that we must buy from the United Kingdom. Then we see that in one year imports, already fairly slim, dropped from 10·7 per cent to 8·3 per cent, a drop of over 2 per cent.

Mr. McIlraith: What is the reference?

Mr. Fulton: That is a Canadian Press summary of a report which is issued by the dominion bureau of statistics.

Mr. McIlraith: What date?

Mr. Fulton: This is taken from the *Gazette* of December 12; it is datelined "Ottawa, December 11" and reads as follows:

Expanding exports may make Canada this year the world's third largest trading power, government trade experts said today.

I apologize and I must make a correction. It is apparently not the bureau of statistics. I beg your pardon, Mr. Speaker, it is; further down it says:

The possibility that Canada may overtake France was raised in the bureau of statistics 67-page review of foreign trade for the first half of 1952. The report showed these developments.

Then it went on to list the development in paragraphs numbered from 1 to 5; and it was paragraph 5 which I quoted and which described the drop of imports from the United Kingdom from 10·7 per cent to 8·3 per cent.

Not only have we emphasized the necessity of importing from the United Kingdom those things which we have to import, and said that we should concentrate on getting them from there, if possible; but in this regard we have made specific suggestions which have been, unfortunately, disregarded by the government to the detriment of this country and of our trade.

I will give just one example, Mr. Speaker. Two years ago we made a positive recommendation that Canada should buy or attempt to buy the British Centurion tank, rather than United States tanks; but the Minister of National Defence (Mr. Claxton) and the Minister of Trade and Commerce both stated positively at that time that Canada would buy United States tanks. The Minister of Defence Production (Mr. Howe), as reported at page 912 of *Hansard* for 1951, said:

We will procure our tanks from the United States.

The Minister of National Defence (Mr. Claxton) said on May 9, 1951, as reported at page 2872 of *Hansard*:

We have now the opportunity of buying from the United States the latest tanks, and they will be coming with the equipment for the two divisions we transferred to Europe.

We said that they should place orders for Centurion tanks. The ministers said they were going to buy in the United States. It has recently been announced that the decision has been made to buy Centurion tanks. I wonder, Mr. Speaker, just how much money has been wasted in the meantime on United States tanks. I do not want to be offensive, but it is safe to say the United States tanks are not the best tanks, and not as good as Centurions. How much money was wasted, and how much time was lost before they decided to make the change—a change which should have been made earlier both from a tactical point of view and from a trade and economic point of view—so that the dollars which would go to Britain for her tanks might have been used by her in return to buy from Canada?

I conclude by saying it is absolute nonsense for the government to suggest that we have not made concrete proposals. There are others which could be made, but I am not going to extend my remarks now to make them. I shall do so at a later date along with other suggestions along the same line. But I say that two of the reasons our agricultural producers find themselves without their traditional market in the United Kingdom for their products at the present time are, first, that the government has been so dilatory and shown such a lack of interest in the

question of commonwealth economic conferences and trade; and, second, that they have overlooked opportunities of making purchases from Britain either directly or by taking out licences to manufacture British equipment in Canada, for both of which dollars would go overseas, thus directly increasing the flow of dollars which the United Kingdom would have had with which to buy from us, while at the same time serving our own defence purposes.

Hon. James Sinclair (Minister of Fisheries): Mr. Speaker, I am very grateful to the hon. member for Winnipeg North Centre (Mr. Knowles) for giving me a couple of minutes so I can answer points which have been raised by the hon. member for Kamloops with regard to the Minister of Finance (Mr. Abbott), who of course is still in London.

This quite extraordinary statement of the hon. member for Kamloops apparently is an attempt to anticipate, by reading newspaper headlines, what the Prime Minister (Mr. St. Laurent) himself will report to this house when he returns here tomorrow. However, I want to make it quite clear now to all hon. members—I am sure it is already clear to all except the hon. member for Kamloops—that there is no roadblock to commonwealth trade as far as Canada is concerned. What are the roadblocks to commonwealth trade today? Import and export restrictions on goods; bans on goods; currency controls; bans on export of currency from the sterling bloc. Canada today has no export or import controls on any of her goods, other than the export of strategic materials to behind the iron curtain. Our currency is one of the two or three currencies in the world which is completely convertible to any other currency on open money markets. We have done the right thing. It was difficult in the post-war period to get to this free trading position, but we did it because of the courageous financial and economic measures of this government, and in particular those sponsored by the Minister of Finance.

We have heard this cry for convertibility of sterling from the Leader of the Opposition (Mr. Drew) on the hustings. Never has he got down to brass tacks on how it is to be done. The hon. member for Kamloops suggested that was not the job of the opposition. I place Colonel Drew's solution of convertibility of sterling on the same plane as General MacArthur's solution to end the war in Korea, which he apparently has kept for some time from the government.

Mr. Fulton: May I ask the hon. gentleman a question?

Mr. Sinclair: I sat through your speech, so you can at least take these two minutes in reply.

But actually the press clippings to which he referred do indicate that the conference has realized that the only way to increase commonwealth trade and world trade is to take the course which Canada took: Not more restrictions; not more currency restrictions; not more import and export restrictions, but the other direction of getting away from both these quantitative and qualitative trade restrictions, and getting away from currency restrictions. The same press clippings, which I read, have also indicated that the majority of the commonwealth members agree that the way to expand trade is not by confining our trade to any one bloc of nations but to seek to expand trade to every country in the world as we and 34 other nations have done in the general agreements on tariffs and trade, which we signed at Geneva, Annecy and Torquay.

The hon. member mentioned, too, the difference in the Tory and Liberal attitudes toward trade. Every year since 1945 in this house we have heard the same calamity chorus from the Tories, about how our trade was falling off and we were facing ruin. Well, let me give you not the calamity chorus, but just the rough group of hard facts. In 1930, when R. B. Bennett came to power with the Tory policy that he was going to blast his way into the markets of the world, he had a commonwealth conference.

Mr. Fulton: Will the hon. member permit a question now?

Mr. Sinclair: The hon. gentleman of course does not afford me the courtesy that I have shown him, of listening to him. I am now speaking of facts from the record. He did call a commonwealth conference, yes. His solution at that conference to world stagnation of trade was to advocate raising the barriers higher against all countries outside the commonwealth, and a British minister at that time rightly called that Tory policy "humbug". It was humbug then and it is humbug today.

A Liberal government took over in 1935. Canada's total export and import trade that year was $1·3 billion. This year it is over $8 billion. That is the difference between Liberal policy and Tory policy as far as trade is concerned. And here in this house, despite—

Mr. Fulton: If there ever was humbug, that is humbug.

Mr. Sinclair: Here in this house this year, despite what we hear from the hon. member for Kamloops, we have heard Tory members

plead for increases in the tariff on sugar, increases in the tariff on textiles, increases in the tariff on tobacco, all of which come from the sterling bloc; a return to this humbug policy of Bennett's.

Let me read you now not headlines from the *Globe and Mail* picked out of press conferences in London, or lack of press conferences in London. Let me read the whole editorial in the leading financial paper of Canada, the *Financial Post*, of this week. If my hon. friend reads beyond the headlines, he may have read this:

Gloomsters wrong again

Canada's gross national product—the total value of goods and services produced—is going through the roof again in 1952.

And well through it too. Estimates put it at over $23 billions—some 8 per cent above 1951's record of $21·2 billions.

Listen to this, and remember the remarks just made by the hon. member for Kamloops.

The Canadian family photograph should show most business and consumers smiling this year.

And well they are. I continue:

First-half woes in many lines of producing, manufacturing and selling, have given way to better days in the past six months.

Mr. Cardiff: What are you reading from?

Mr. Sinclair: The *Financial Post*. I would advise you to read it, too. The editorial continues:

Christmas trade, for instance, should break all records.

Important in 1952's figures is the fact that prices are only a few points above last year's averages. Hence, in real terms of goods and services, Canadians are producing and selling a lot more than they ever did before. And even after tax bites, they are left with more to spend or to save.

Looking ahead into 1953, the elements of growth will still be with us, heavy investment, strong consumer desires for more and better things. Of course, there are some soft spots—

And we admit it; trade in the world today is always difficult.

—shifts within the totals, some worries over export markets, plus man-made restrictions on immigration.

But if we can successfully counter those factors, there's the prospect for a broad basis of prosperity for 1953.

Once again, it would seem, the gloomsters—

This is a word the *Financial Post* has coined, but it is a word which certainly describes the Tory members in this house:

—will have to postpone the day for "tough times" to begin.

Mr. Fulton: I should like to ask the minister two questions. First, do I take it that the hon. gentleman does feel that this conference will produce beneficial results in the restoration of convertibility and trade between the commonwealth nations?

[Mr. Sinclair.]

Mr. Sinclair: Mr. Speaker, I for one am quite anxious to hear the Prime Minister since he attended the conference. I would say that if the hon. member for Kamloops (Mr. Fulton) had been reading beyond the headlines he would see that the conference has turned to what I would call the Canadian approach of increasing trade by removing tariff barriers, by getting away from currency restrictions. I again suggest to him that he wait until Monday, when the Prime Minister will be back. He will be able to give the hon. member facts, not headlines, and a direct answer to the question he is now asking.

Mr. Fulton: The second question is this: Since the hon. member agrees the conference was beneficial, does he not think it would have been a good thing to have had this favourable result three years ago, by taking the lead in calling a conference then, as we then urged in this House of Commons, to do the things this conference has been doing?

Mr. Sinclair: I again suggest, as I said at the beginning, that if the hon. member was really interested in knowing the results of the conference, then he should have contained himself until Monday, at which time the Prime Minister will be back. But, so far as that is concerned, I suggest that the commonwealth and other countries would have been far better off if they had practised more closely the policies we have pursued, by which we have raised our trade from $1·3 billion in Tory days to $8 billion today.

Mr. Fulton: The minister does not care to answer that question.

Some hon. Members: Sit down.

Mr. Fulton: The minister has not answered the question. He just spoke more humbug—

Mr. Deputy Speaker: Order. The hon. member cannot speak twice. He may ask a question; but in the last instance the hon. member was not asking a question.

Mr. Fournier (Hull): He was making a second speech.

Mr. Deputy Speaker: He was saying that the hon. member had not replied to his question, and that is tantamount to speaking twice. The hon. member for Winnipeg North Centre (Mr. Knowles) may proceed.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my re-entry into this debate on the address in reply to the speech from the throne arises from my concern over a ghost—a ghost of something that most of us had hoped was dead but which, for a great many people in my province at any rate, is very much alive. The agony being caused to

these people is such that, with Christmas just around the corner, I feel the government should take action to end its existence for all time.

An hon. Member: A good idea.

Mr. Knowles: I gather that my hon. friend wants that observation to apply to the government. I do not mind that, but I was referring to the ghost of the means test under the former Old Age Pensions Act.

Hon. members in the house generally, even those who voted against the removal of the means test not many months ago, rejoice in the fact that it no longer applies to the old age pension so far as Canadians of 70 years of age and over are concerned. As one who for many years urged that the means test should be abolished I, too, was most happy to be here and to take part in enacting the legislation in which provision was made for a universal old age pension to all 70 years of age and over. But the fact is that in my province—it may be happening in others, but I shall confine my remarks to my own province, because I have evidence of what is happening there—Canadians 70 years of age and over, who are now drawing the new federal pension free of any means test, are in many cases being hounded for repayments arising from alleged overpayments during the years they were under the former old age pension legislation, to which was attached a means test.

Someone may say to me immediately that if this is happening primarily in Manitoba, then it must be something for the government of that province to deal with. Yes, Mr. Speaker, it is true that the letters, a number of which I have here and to which I shall later refer, which are being sent to old age pensioners in Manitoba making demand for repayment, are from officials of the old age pensions board in that province. I must point out, however, that in a number of these letters—and I shall offer quotations in support of what I say—it is being said to the people in Manitoba that the province is obligated to seek these recoveries by virtue of the terms of the federal legislation. Not only are Manitoba old age pensioners being told in these letters that the villain of the piece is the federal government, but it is also a matter of record that this question has been tossed back and forth for several months between Ottawa and the provinces. I have been in the midst of that tossing about, myself, as will be evident from some of the matters of record which I shall recall at this time.

On March 12 of last session, as reported at pages 356 and 357 of *Hansard*, I asked the Minister of National Health and Welfare (Mr. Martin) if it was not time to advise the provinces that they did not need to continue any longer the practice of making recoveries from the estates of deceased pensioners, or the practice of making recoveries in cases of alleged overpayment. The minister told me on that occasion there was nothing he could do about it because it was a matter governed by the existing law.

Well, one could not do much through questions asked on the orders of the day, so at the first opportunity after that date I took part in the debate on the address in reply to the speech from the throne, which was then in progress, and drew the attention of the Minister of National Health and Welfare to the fact that on February 12, 1952, a statement concerning this matter had been made in the Manitoba legislature by the minister of health and public welfare in that province.

Despite the fact that in the Manitoba legislature they have no record equivalent to our *Hansard*, this statement was regarded as of sufficient importance to merit its being reported in the votes and proceedings of the legislative assembly for February 12, 1952. I quote from page 2 the words of Hon. Mr. Schultz:

> In regard to the collection of claims against the estates of deceased pensioners in this group the legislation of the federal government and the obligations under the agreement submitted for signature by the federal government compels this province in accordance with similar agreements with every other province, to collect from the estates of deceased pensioners where the estate is over $2,000 net. Neither Manitoba nor any other province has any option in this matter at the present time.

When I drew this to the attention of the Minister of National Health and Welfare during the course of my speech in that debate of the last session he chose to interrupt me at that point, as is recorded at page 545 of *Hansard* for March 18, 1952, by making this interesting interjection:

> Mr. Martin: Of course Mr. Schultz knows that is not a correct statement, as does my hon. friend.

Well, I made a reply to that at greater length than I would wish to quote in full at this time, the main point of which was that I hoped what the Minister of National Health and Welfare was then saying would set the matter right, and that the provinces would realize that they did not have to continue the policy of making recoveries, as was the case when we were under the former Old Age Pensions Act.

As a matter of fact the exchanges continued during the course of that speech until, I thought, the minister changed his ground

a bit; but he still stuck to the position that this matter of making recoveries was entirely up to the provinces.

But at the end he said:

> This is a matter determined by existing law and on the basis of agreements between the federal and provincial governments; and until we know the attitude of all governments in respect to this matter we cannot take any action with regard to the existing law. Surely that is the situation, and I should think my hon. friend would be the first to agree that I have correctly stated it.

It seems to me that what the Minister of National Health and Welfare (Mr. Martin) made clear by his interjections in my speech was that in the first place Mr. Schultz had no right to put the blame entirely on the federal government, which would seem to suggest that from the standpoint of the Minister of National Health and Welfare the blame goes back to Manitoba. But then he also suggested there is something the federal government can do about it, because he says it is covered by the existing law. The existing law is the Old Age Pensions Act of 1926 passed by the parliament of Canada which is still on the statute books, and under which the policy of recoveries is still being pursued.

I have asked repeatedly that this former act be rescinded or repealed, whichever is the correct term, so that the recovery policies required under it could be discontinued. There is a provision in the Old Age Security Act, chapter 18 of the statutes of 1951, second session, section 13, subsection 2, which reads as follows:

> The Old Age Pensions Act is repealed on a day to be fixed by proclamation of the governor in council.

It was on the basis of the authority vested in the governor in council to do away with the former Old Age Pensions Act that I asked again just a few days ago for the end of that act to be effected. Before I refer to the question I asked a few days ago, may I say that after getting from the Minister of National Health and Welfare last spring the view that Mr. Schultz was wrong, that Manitoba was not being compelled by federal legislation to continue this policy of making these recoveries I drew that information to the attention of the officials of the provincial old age pensions board in Manitoba. I found them quite interested. They referred to *Hansard* themselves and noted with interest, as I say, what the minister had said.

I expressed the hope to these officials that as the result of what the Minister of National Health and Welfare had said they would feel free to discontinue seeking to make recoveries out of estates of deceased pensioners, and to discontinue seeking to make recoveries from elderly people still alive for little overpayments that they are supposed to have had in 1951, 1950 or in earlier years. My discussion with these officials was for the most part verbal, but on one occasion we had an exchange of letters about a particular case. At that time I asked how things were going with regard to the policy of recovery and I had this reply from Mr. Locksley D. McNeill, chairman of what is now the old age assistance and blind persons allowances board of Manitoba. It is dated September 23, 1952. This is what he said in the last paragraph of his letter:

> The recovery policy appears to stand pretty much as it was earlier in the spring, that is, the dominion government has not specifically agreed that the provinces may feel free to discontinue their efforts to make recoveries against those estates which are in excess of $2,000.

So it goes, Mr. Speaker, back and forth. Manitoba says: We do this because we are compelled to do so by Ottawa, by the federal legislation, by the fact that the federal government has not released us from the necessity of doing it. The Minister of National Health and Welfare says that under federal legislation the provinces are not compelled to do it. The province comes back and says there has been no change, that they are still being forced to do it under the terms of federal legislation.

I pick up for a moment one of the many letters I have that have been written to old age pensioners in Manitoba seeking recoveries of overpayments. This one is dated August 1, 1952, and is likewise over the signature of Mr. McNeill, chairman of the board of that province. It was addressed to Mr. and Mrs. B, former residents of Winnipeg who are now residing in a town outside the city of Winnipeg. After having pressed the case for repayment—and I will come back to this case later—he says:

> You can see from this that the matter is one which is in a sense out of our hands. We carry out the procedure laid down by the dominion legislation.

The latest chapter in this story, so far as this parliament is concerned, took place this session on November 24 when I put a question to the Prime Minister (Mr. St. Laurent). I put it to him in the absence of the Minister of National Health and Welfare, and it will be found at page 18 of *Hansard* for that date. My question reads as follows:

> Can the Prime Minister say when the former Old Age Pensions Act will be repealed so that provinces like Manitoba, which are pressing needy pensioners to make repayment and which are still making recoveries out of the estates of deceased pensioners, can discontinue this practice?

The Prime Minister referred the question to the parliamentary assistant to the Minister of National Health and Welfare, and this was his reply:

I want to thank the member for Winnipeg North Centre for giving notice of this question. A similar question was answered by the Minister of National Health and Welfare on June 24, page 3610 of *Hansard*, and on June 27 last, page 3833 of *Hansard*. It is the intention of the government to proclaim the repeal of the Old Age Pensions Act as soon as there is agreement from the provinces which co-sponsored this act that this should be done. Not all of the provinces have yet agreed on the desirability of repeal at this time, but it is hoped that agreement will be reached shortly so that the necessary proclamation can be made.

I recall very well, of course, the statements the Minister of National Health and Welfare made on this matter during the last session, and I confess I am disturbed at the suggestion that this federal law cannot be repealed, despite the fact that parliament has given the governor in council power to do so, until there is consent of all the provinces with respect to the matter. In the answer of the parliamentary assistant which I have just quoted he used the phrase, "the provinces which co-sponsored this act." May I remind him and the government of a bit of ancient history with respect to this matter which nevertheless is important because it bears upon this act. On April 15, 1926, when the Old Age Pensions Act was under discussion and was being put through the house for the first time—I should not say the first time because it was the second time; the first time it was put through it was killed in the other place—there was a request from the Conservative opposition of that day to have the old age pensions bill delayed. But Mr. King, who was then Prime Minister, replied in these terms, as recorded at pages 2501 and 2502 of *Hansard* for April 15, 1926:

The bill has been prepared with a view to avoiding delays and in order to enable any provincial government that may care to enact at once, with respect to old age pensions, legislation in conformity with the requirements of this measure to take advantage of the proposed scheme. If some provinces do not desire to pass such legislation, that determination will in no way affect the situation except in so far as they are concerned. But as a federal government we want to show our readiness at the earliest possible moment to assist any province as soon as it is prepared to enact legislation along the lines here laid down.

I read that quotation to remind hon. members of what they all know, namely that when the Old Age Pensions Act was first put upon the statute books it was made law in precisely those terms. It was enabling legislation which came into effect in the various provinces over a long period of time. I believe it was eight or nine years before all of the then nine provinces took advantage of the law, but the provinces that were ready to enter into such meagre generosity as that measure involved were not held back because some of the other provinces were not ready. In other words the original law was not a co-sponsored piece of legislation at all. It was an act of the federal parliament which was put upon the statute books in such a manner that the provinces could participate in it as they wished.

I think it is perfectly reasonable for me to ask that the same practice, the same spirit be followed now so far as ending the means test Old Age Pensions Act is concerned. If there are some provinces that insist on being permitted to continue to make these recoveries, perchance the federal government might feel that it has to yield to their desire, but if there are provinces which infer, as Mr. Schultz I take it has inferred—he is no longer the minister, but he was at that time—that but for the federal government standing in their way they would like to discontinue these recoveries, then I suggest that the federal government should indicate to these provinces that so far as it is concerned it will be all right for them to discontinue these recoveries.

I know of cases where attempts are being made to collect from the estates of deceased pensioners. It seems to me that is a most abhorrent practice which is completely in violation of the whole idea that this parliament finally arrived at, that the means test should be done away with. If the means test is dead, let it stay dead. What I suggest is even more abhorrent and more repugnant to our thinking today is the way in which old people who are still alive are being pressed for the repayment of amounts that they got in 1951 or 1950. It is coming close to Christmas. Cannot the government take action on this matter right away? It could be done under the section I read in the Old Age Security Act repealing the Old Age Pensions Act whenever the government so decides, and that would be the end of it.

If it cannot do it that way then it could write to a province like Manitoba, who say they are doing this because the federal government wants them to, and say that so far as Ottawa is concerned Manitoba does not need to press these old people any more. When the amounts are collected they are pitifully small, not to mention the administrative and collection costs. Those costs must represent a large percentage of the amount recovered. After an amount is recovered by a province like Manitoba it is permitted to retain only 25 per cent because that was the portion put in by the province to the former pension. The 75 per cent remitted to Ottawa is so small in terms of federal revenues and

budgets that I am sure it is not for the purpose of getting in dollars that this policy of pressing for these repayments is still being pursued.

I said I would indicate to the house the nature of some of these cases and refer to some of the letters I have on my desk. So that hon. members may know that I am not just talking about something I have just heard about or one single case, may I say that this matter has been the subject of more correspondence than any other one subject since I came to this session in the middle of November.

The letters I have received from some of these old people who have only $40 per month and who think that money is theirs without any attachment are heart-rending indeed. They wonder how they are going to find the $5, the $10, the $100 or whatever it may be to meet the demand of the Manitoba government, which Manitoba says it is making because Ottawa requires it to do so.

Here is the case of Mr. and Mrs. D who live on Agnes street in my constituency of Winnipeg North Centre. I have here a letter over the signature of an official of the old age pensions board in Winnipeg telling them that the return from a little bit of property they had before they ever went on pension would have to be computed as so much income per year so long as that pension lasted. It so happened that these people, like a good many others in my city, made a little money during the flood year of 1950 when people were called upon to take all sorts of jobs. At any rate it added up that these people obtained $34.09 in 1950—mind you it was the two of them—more than the means test in that year allowed them to have. In 1951 the means test was still in effect but the authorities in Manitoba did not get around to deducting that alleged overpayment of $34.09 from these people. Instead they have now found by their own methods of computation that in 1951 the two of them had obtained $48.09 more than they were permitted to obtain in that year. Well along in 1952 these two old people who receive the present pension of $40 a month, which everyone from the Prime Minister (Mr. St. Laurent) down receives, who think it is theirs because there is no means test, get these demanding letters requiring them to pay back the sum of those two amounts or $82.18.

That may not seem a large sum to certain people, but it is an awful lot of money to two old people who have only $40 a month each, or a total of $80 a month between them. In connection with this particular case I happen to know that while this correspondence has been going on the husband has passed away. What will happen by way of further pressure on the widow to pay both her husband's share and her own share of the back debt, coupled with the fact that her income is now reduced to $40 per month, is something for hon. members to contemplate.

I suggest that it is a reprehensible practice the Manitoba authorities are pursuing. If I could put the blame wholly on Manitoba I would not be making this speech today in the House of Commons. But they say they are doing it because of the federal legislation. They go further and say that even if the legislation has not been wiped out they are quite willing to discontinue this practice if Ottawa would release them from the necessity of collecting these overpayments, but that release has not yet been given.

Here is the case of Mr. and Mrs. S who live on Langside street in my constituency. Due to illness, one of them is living with one son and daughter-in-law and the other with another. In November of 1952 the board reviewed the files of these people and considered Mrs. S as receiving free board from the son and daughter-in-law with whom she is living on a farm just outside Winnipeg. They add it all up and they bill this old couple for overpayment in the amount of $5, and they ask each of them to please remit $2.50.

An hon. Member: A Liberal government.

Mr. Knowles: That amount may not seem great to many of us, but it is a tough amount for people to get together when their income is only $40 a month. What a disgrace for governments to put into operation all this administrative machinery and undergo this administrative cost in order to get $2.50 each out of these old people. I say to the federal government: Come on, it is Christmas. If you cannot do it for any other reason, because it is Christmas time repeal this old law and put an end to this policy of recovery.

Here is another case of Mr. S, who lives on Preston avenue in the constituency of my hon. friend the member for Winnipeg South Centre (Mr. Churchill). The details of that case are rather involved. It dates back a number of years, and I would not be surprised to get word that this man has died since the last time I heard from him. Yet he is being pressed for a rather large sum dating back over a number of years, a sum which there is simply no possible way on earth for him to repay.

Here is the case of Mr. G, who lives on Cathedral avenue in Winnipeg. His case, like that of Mr. D, who lives on Craig street, arises from the fact that he went out and did a little work during the time of the flood we had in Manitoba in 1950. The

result was that they had a little bit more money. It is not a great amount, something in the neighbourhood of $40 or $50 in each case, more than they should have had that year in view of the ceiling that then applied. Now they are being pressed for the repayment of those amounts. Bear in mind that again the board failed to make the adjustment in 1951 when the means test was still in effect. They are a year and a half late in doing it, but still this pressure is being applied. These Manitoba officials are saying: we have to do this; we are compelled to do it by the terms of the federal legislation.

I am not really sure that is the case, because I am told that in some of the provinces it is not being done. If some of the other provinces are not required by the federal legislation to do it, I am not sure that Manitoba can make that case stick. They are, however, taking that stand. So long as they do, I suggest it is the responsibility of this government at Ottawa to put an end to it by repealing that act.

Here is the case of Mrs. B, who lives on Ingersoll street. Again there are overpayments for two years, one of $60.04 in 1950 and another of $72.01 in 1951. No attempt was made to make an adjustment in 1951 for the alleged overpayment in 1950. Again, well along in 1952 after these people think the means test is dead, its ugly ghost rises up in the form of these letters saying the old age pensions authorities want them somehow, out of their $40 a month, to make repayment.

I refer also to the case of Mr. and Mrs. B, who were former residents of Winnipeg and who are now living in a town not far from the city. I find some very interesting language in the letters that have been written to this couple. By the way, this claim arises from receipt of unemployment insurance by one of the parties back in 1949. There was never any secret about it. It was reported to the old age pensions board. I believe these people had every right to feel that, with the abolition of the means test and the beginning of the new federal pension at the rate of $40 per month, they had nothing more to worry about. Lo and behold, when they have nothing else but their $40 a month they are called upon to make this repayment.

This particular couple wrote some letters of protest, and did their best to argue that they should not be required to make the required repayment. The chairman of the board in Manitoba, Mr. L. D. McNeill, wrote them on August 1, 1952, and said this, amongst other things:

> The situation appears to be that we have no alternative other than to ask for repayment of any overpayment of pension. If these payments are not refunded or arrangements are not made for the repayment of same, we are required to send this information to the director of old age assistance (formerly the director of old age pensions) in Ottawa. He passes it on to the treasury branch of the dominion government. It is then up to the officials of the treasury department to decide whether or not to hold back old age security payments.

Now, Mr. Speaker, imagine that threat being handed to senior citizens today, the threat that unless you somehow find it possible out of this $40 a month to pay back these moneys you are alleged to have received two or three years ago, this glorious, free federal pension of $40 per month will be interfered with. As a matter of fact, if you examine that language closely, it is quite significant. Even the chairman of the board in Manitoba does not assert that Ottawa will hold back the old age security payments. He merely says that it will be up to the federal treasury to decide whether or not they will do that.

I have had some correspondence with the deputy minister of welfare concerning that very point. From the correspondence I have had it is quite clear to me that, up to the present time at any rate, no decision has been made by the federal government to hold back any old age security cheque, even though it may be argued they have the right to do so—not under the terms of the Old Age Security Act but under the terms of the Financial Administration Act. I am quite satisfied that this government at Ottawa is not going to hold back any of those old age security cheques. I can think of one good reason why they will not do it, if there are not others. But the fear that it might be done is being held over some of these people in Manitoba by the board there, and it is being done by that board on the basis that they are required to do it by Ottawa. This letter from which I have just quoted goes on to say:

> You can see from this that the matter is one which is in a sense out of our hands. We carry out the procedure laid down by the dominion legislation.

I could cite other cases of these attempts that are being made to recover these alleged overpayments from the older people of Manitoba. I draw your attention to the fact that all of them are people who, by virtue of the fact they were on the old age pension when the means test was in existence, are people who needed it. They are people who now, whatever they may have had in the past, have nothing else but their $40 a month. For them to be hounded in this way by the provincial government with the apparent authority of the federal government is, I suggest, completely out of keeping with what

this country has accepted, namely the idea and principle that so far as our older citizens 70 years of age and over are concerned the means test should be considered as completely dead.

I hope, Mr. Speaker, that the government will give more active consideration to this matter, and will find it possible within the next few days to take advantage of the provision of the Old Age Security Act which I read, and call a halt to this procedure by proclaiming as dead the former Old Age Pensions Act, with its means test and its recovery provisions. Let us call a halt to these practices right away. I have just a bit more to say, Mr. Speaker, but since I believe I have another five minutes perhaps I should reserve it for eight o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Knowles: Mr. Speaker, I believe there are about five minutes left of the time allotted to me. Hon. members will recall that during the 35 minutes in which I had the floor just prior to six o'clock, I devoted my time to the making of an appeal to the government to proclaim, within the next few days, the repeal of the former means-test Old Age Pensions Act so that the recoveries still being made under that act might cease. I will not take further time to speak on that phase of the matter now.

However, I do not want to conclude a speech on the subject of old age pensions without repeating my view, which I hold strongly, that there should now be an increase in the amount we are paying to our old age pensioners. Many figures are being suggested in editorials in many responsible newspapers and magazines in this country, and the surveys that are made by various bodies all make it clear that there simply is no sound reason at all for leaving the pension at the figure of $40 a month. I have said before that it should be a much higher figure, certainly not less than $60 a month. I hope we shall get action on this urgent matter without having to wait too long. I repeat likewise that, in my view, the means test should be removed at the age of 65.

Along with these improvements in our social welfare legislation I feel, as all of us in this group have stated, that the time has come for further improvements in the War Veterans Allowance Act, particularly as suggested by the Canadian Legion in their brief recently presented to the government.

There are other groups about which I have had something to say from time to time—indeed I have mentioned them at this session—such as the superannuated civil servants, our blind pensioners, and others, to whom we should be giving a much better break than is the case at the present time.

One of the reasons that I return to the attack, so far as the need for a wider measure of social security is concerned, including our program of health insurance, is because of some of the things the Minister of Fisheries (Mr. Sinclair) has said in the last two or three days. I believe it was in a speech on Wednesday of this week that he sought to pare down the federal government's budget to a mere $675 million. You see, Mr. Speaker, this is the way the government talks. Whenever we are asking for increased social security provisions, we are told by this government: "That costs money. It is a good idea but you cannot have it because it costs too much money." But when the government is under attack as to the size of its budget, spokesmen like the Minister of Fisheries stand up and say: "Look here, our budget really is not $4½ billion a year at all. Half of it is for defence. That is abnormal. Then $1 billion is for social welfare payments. Those are just transfer payments; they are not expenditures." Then the Minister of Fisheries goes on and takes out the interest paid on the national debt. So he boils it all down to a federal budget, so far as normal expenditures, as he defined them, are concerned, of merely $675 million.

I am not now quarrelling with that method of arguing first one way and then the other, but I emphasize the truth of what the Minister of Fisheries said the other day and what the Minister of Finance (Mr. Abbott) says when he speaks on this matter, namely that social security provisions, whether they be for old age security or for health or other items, are really just transfer payments, are really just a case of transferring or re-channelling a portion of the wealth produced by this country into the effort to provide health and security for our people. Far from anyone standing up in this house or anywhere else and saying that we cannot afford to have these things, I submit that Canada, with the huge wealth we are producing and with our claim to being a civilized nation, cannot afford not to have reasonable and adequate measures of social security.

This afternoon the Minister of Fisheries got into the debate again. He read with pride an editorial in the current issue of the *Financial Post* which pointed out that the

gross national product for 1952 was likely to exceed $23 billion as compared with $21·2 billion for the year 1951. That represents an increase, of which he boasted, of more than $1,800 million in this one year. I suggest, Mr. Speaker, that when we are able to achieve an increase of that magnitude in the wealth we are producing, or an increase to that extent in our gross national product, there is no place for the fallacious argument that we cannot afford reasonable measures of health and social security for our people.

I thrill, as do all hon. members, to the reports we receive these days about the tremendous growth and expansion that is taking place in this country. It is good to learn of the great advances in production we may anticipate in the years that lie ahead. I join with other hon. members in hoping that the realization will be even greater than the anticipation. However, I plead for the common-sense, civilized approach that will take the stand that, with all this wealth we are creating, we are not going to leave some of our deserving Canadians out in the cold but rather that we are going to accept the principle of transfer payments and rechannel or redistribute some of that wealth in such a way as to make provision for adequate welfare and adequate social security for all our Canadian people.

Mr. Laing: Will the hon. member permit a question?

Mr. Knowles: Gladly.

Mr. Laing: From his research has he available an estimate of the number of additional persons who would become eligible for the old age pension under a reduction of the age limit to 65?

Mr. Knowles: I have the figures as has the hon. member, because we were both members of the old age security committee of 1950.

Mr. Laing: Not up to date.

Mr. Knowles: I do not have them on my desk, but the point I have been making—

Mr. Hosking: Answer the question. Do not mislead the public.

Mr. Knowles: It is the hon. member's approach that misleads the public when he tries to argue that adequate social security cannot be afforded. The fact is that we can pay for the entire social security program that we in this party are arguing for out of one source, namely the increase in this one year in our gross national product.

Mr. A. C. Murray (Oxford): Mr. Speaker, a Scotsman was once asked to make a speech and the first thing he said was: "I would like to say a few things before I begin". So tonight I should like to say a few words before I begin. First of all I am sure I express the warmest greetings to a distinguished guest to the capital city today, one who I understand is being entertained this evening by the Speaker of the house. This is a distinguished man from the land of Scotland, James Miller, Lord Provost of Edinburgh, and Mrs. Ella J. Miller, Lady Provost of Edinburgh. I am sure that as one in whom Scottish blood runs strong I express the sentiments of all hon. members in extending the warmest greetings to this distinguished couple on this occasion. I am sure we are all mindful of the Scot today and of the part he is playing in the affairs of the world. With a shrewd, prudent and peaceful conscience in the discharge of duty to a degree above all others, being imbued with tremendous powers of concentration, the Scottish race has made an impression upon the world to which no other race can yet lay claim. So I repeat how proud we are to welcome to this parliament of Canada our distinguished guests on this great occasion.

Likewise I say to you tonight that I am sure that by whatever waters of Babylon our tents may be pitched, we are all proud to serve in this parliament of Canada and in particular to have a part in the building of this great nation. I say likewise how proud we are as Canadians and as members of the government today to have as the Prime Minister of this country and as the leader of our party one so distinguished in the past, one so notable in the present, the Right Hon. Louis St. Laurent. I repeat what I have said elsewhere, that it is not wealth or riches that bring greatness to a country or to a party; it is the men who travel in its service treading like the stars to their selected place.

As we think of the part the Prime Minister is playing in the world of international affairs and in affairs that directly affect our country I am sure all government members will join me in saying that we yield to few in our admiration for one so devoted to his people and to the welfare of all mankind. As I think of the part the Prime Minister and members of this government are playing I am reminded of the lines:

> Give me men, to match my mountains,
> Give me men, to match my plains,
> Men of courage, men of action,
> Men with Canada in their brains.

So I say tonight, give me the men of this government of today, men imbued with the spirit of unity, with a common allegiance to democratic ideals and the welfare of all our people, and I will give you men who are

making for Canada today its rightful place in the sun among the nations of the world.

It is a great land in which you and I are privileged to live, and it is playing its part among the nations of the world. To couch it in the language of the Minister of Justice (Mr. Garson), there is one contribution which I feel in the long run may well be the most important contribution that our country can make to the world today. Our country is a unique example of international good will and co-operation which could be extended to all nations. Our country is a dominion which extends from sea to sea, an association of provinces which are bound together, not by any military strength, not by any charter, not by any covenant or by any legal instrument. That which binds Canada together today are the great and mighty intangibles of life. The basis of our relationship is friendship and a spirit of co-operation, an attitude of progress with a common allegiance to democratic ideals and fundamental moral principles. Those qualities which have shown themselves so capable of transcending and bridging great disparities of race and religion within our own country can, I feel, achieve a like purpose in the world.

As our own Prime Minister once said at a London conference of prime ministers, while it may be necessary for some considerable time for peace-loving countries to maintain military strength in order to resist or deter aggression, there can never be real peace or real security in the world until we can achieve something of that mutual co-operation and understanding among all nations which today we are striving to maintain within our own commonwealth. That I feel is the ultimate objective of the whole world, the ultimate goal at which peace and brotherhood will be the ideals of men and nations everywhere.

I say that this is a great country. I ask any member of this house: Do you know of any other country in the world, perhaps barring the United States of America, that enjoys a higher standard of living than we do here in Canada? Do you know of any other country whose currency is at a premium in the market places of the world? Do you know of any other country in the world where opportunity still knocks and where by simple fundamentals you can find it to the extent that you can in this land of Canada?

I am sure there must be thousands and thousands of people throughout the world tonight who would give everything they have if they could only come to this land of Canada to enjoy our privileges, to enjoy the prosperity that has been made possible through the policies promulgated by the Liberal government of today, policies that transcend the bickerings and lamentations that go out from this house, policies that have built and strengthened the pillars of unity, of security and of freedom for all our people.

Yet with all our policy, with all our prosperity, with all our technological progress, with all our material acquisitions, with all our natural resources, are we removing today some of the barnacles that still cling to the life of this country? I am reminded that hon. members who come from the sea may know something of the barnacle, that tiny animal that lives within the sea and clings to the passing hulls of vessels. It propagates with great rapidity and spreads a concrete-like substance across the hull of a ship which if neglected cuts down steerageway and the efficiency and effectiveness of the ship.

I appreciate that we have eliminated two of the barnacles that previously clung to this chamber, and which had been here long before I came to the house in 1949. One of the barnacles that has been removed is the lack of acoustics. Now with a man sitting at the console a member's voice is amplified through this new sound reinforcing system so his speech is brought to all parts of the Commons most distinctly, and likewise to the galleries. I say that a bouquet should go to the Minister of Public Works (Mr. Fournier) for his perseverance, his industry and his initiative in seeing that this barnacle of inefficient acoustics has been removed.

Then I should also like to present a bouquet to the Speaker of the House for seeing to it that the evening hours of sitting are regulated so we can now adjourn at ten o'clock. I am sure all members will agree that the former closing hour was a barnacle upon the life of this chamber. In these days of national crisis, these days of worry, stress and strain, we need to keep fit, we need desperately to keep our manhood and our womanhood of this and other democracies physically fit and mentally alert. I think some of us make a ghastly mistake when we do not see to it that we keep fit; for a man who may do one hour's less work per day, but save himself for the task that needs to be done for the national welfare, is far better alive with one hour less activity than dead, with his genius, his brains, his talents and his powers lost to his fellow man.

Oh, Mr. Speaker, there are barnacles elsewhere, everywhere. I was amazed the other day to read of the betting odds on successful marriages. I am amazed each year at the number of divorce cases that come before parliament, about which every member knows. It is unbelievable. Why? Barnacles,

that is all; tiny, nonsensical things that somehow get a grip on married life, that cling with all the tenacity of a barnacle to the hull of a ship, and cause that glorious ship of matrimony to lose its course and go on the rocks; things that could be so easily forgotten, things that become pitched battles when, with a little understanding and a little smile, they could be avoided.

That is what happens. Oh, I appreciate that the barnacles of government are not centred here at Ottawa alone. They are centred in the minds of men and women who will not vote when an election comes. When a war is on they will fight, they will buy bonds, they will do this, that, and everything else to bring about peace; but when peace comes they will not bother to go to the polls to choose the best man or the best woman to represent them at the councils or in the parliament of our nation. They slip back into that luxurious and splendid slumber of the democratic citizen, who thinks only of his nation's safety when it is in danger.

There are barnacles everywhere. I suppose members of the opposition will say that taxation is a barnacle in the life of Canada today. But let me remind them that their demands for lower taxation are incompatible with demands for increased government services necessitating heavy expenditures. Here we have hon. members of Her Majesty's loyal opposition proposing savings that amount to $116 million a year, whereas new services requested by the Progressive Conservative party would add $600 million a year to the federal budget.

I say to hon. members of the opposition, as I have said elsewhere, that you cannot have your cake and eat it too. If we want to build our defences strong and maintain the attributes of decency throughout the world, and if we want social security for all our people, then let us do first things first. Let us build so those who follow after us may enjoy the shade. Let us realize that if we want all these things, then we must be prepared to pay for them.

I presume there are a few barnacles in every trade and in every profession. It seems to me that no man who does not understand the principles of a particular trade or profession has any right to criticize it. My purpose in rising at this time is not to criticize; rather, it is to suggest to myself, as well as to the members of the government and to all hon. members in the house, that sometimes it is best to take the hull of the ship of state onto a set of ways, clean off the barnacles and set it sailing again, shipshape and clean, and on a voyage toward a happy harbour.

I think, sir, of the Department of National Health and Welfare and its wonderful record of achievement. Yet, Mr. Speaker, there is a barnacle on the record of that department. I wonder, sir, if we realize that as a result of the research that has been conducted by that department and by men of science, and as a result of the growth of medicine and pharmacy, all of us are living longer than was expected at our births. I recognize, of course, that today a woman lives possibly four and a half to five years longer than a man. We have heard the reason suggested: that we take such good care of them. Nevertheless we have added almost a score of years to our life expectancy in the last half century. This poses a terrific problem for those engaged in life insurance, and those concerned with annuity and pension schemes.

I suggest the growth of science has been an important factor. Believe me when I tell you that in New York state in 1928 nearly 2,000 people out of every 100,000 died as a result of appendicitis; by 1948 the number was brought down to 440 for every 100,000 of the population. In 1928 the figures show that 16,000 people out of every 100,000 of the population died of the pneumonias, while in 1948 only 5,132 died. In 1928 1,950 out of every 100,000 died of influenza, while in 1948 there were only 114. There is the answer. Here in Canada also, as a result of the new drugs, the new antibiotics, every one of us is living longer than was expected for us at our births.

I think of insulin, which was discovered by that great Canadian, Sir Frederick Banting. Formerly, when sugar was discovered in a child's urine it was a foregone conclusion that it would never reach the age of 21 years. As a result of that great discovery, thousands upon thousands of people can now live to a ripe and useful age. I think of penicillin, discovered by Sir Alexander Fleming, and what a great benefactor to mankind he has been. I think in the same way about streptomycin, aureomycin, terramycin. Mr. Speaker, I can vouch for the fact that there are hundreds of promising new drugs on the horizon, and the horizon is equally challenging and tremendous.

Every one of us has more years of life expectancy than was anticipated at our births. What are we going to do with them? All of us are working fewer hours than we used to, but what are we going to do with our added leisure? It lays a terrific obligation and responsibility upon the family and the school to teach people the joy of living well the leisure time, and giving them guidance in how to spend the coin of leisure wisely.

The Department of National Health and Welfare has played, and is playing, a significant role in the health and welfare of our citizens. It has carefully re-examined the way to human welfare and, as a result of its endeavours, we have gone forward steadily and in freedom toward a decent level of life. There is a strong tide flowing in the affairs of men; social injustices are being swept aside and human progress is at the flood. Yet, with this great record, there is a barnacle on the life of this department. The hon. member for Waterloo North (Mr. Schneider) referred to it in his speech in seconding the address in reply to the speech from the throne. Other hon. members have referred to it again and again, and I refer to it today. I mean, of course, that the government should do something to remove the means test on pensions for the blind. Tonight I am mindful of the biblical injunction:

> And I will bring the blind by a way that they knew not; I will lead them in paths that they have not known: I will make darkness light before them, and crooked things straight. These things will I do unto them, and not forsake them.

Surely we in this chamber cannot do less. It seems to me that the idea of the blindness allowance being a payment for their handicap has been lost sight of by the legislators. The means test and its regulations are so restrictive that they discourage blind persons from trying to better themselves. I am informed that since blind persons over 70 years of age have been transferred to the Old Age Security Act, under which they now benefit by the elimination of the means test, there are only about 4,000 of the 19,000 blind adults who do not receive the allowance. These are the ones whose income is above the allowable income in order to qualify for the allowance. These persons are blind, and need and would be encouraged by the allowance in coping with their handicap. Surely it would not place too great a burden on the various governments to agree to the elimination of this restrictive legislation.

Eighty per cent of all blindness occurs in adult life, and I need not say that the loss of sight in adult life has the effect of wrecking hopes and plans as well as the sense of security. Surely, Mr. Speaker, there is not a member of this house who would not like to see this barnacle, this restrictive means test on the blind, removed. I know, sir, that today our troops are fighting in Korea, and none of us is unmindful of the terrific sacrifice that is being made. There is the sacrifice being made by those who cannot see. There is more to a fight than is seen in the game. There is the fight that enters not the limelight of publicity. There is the fight that some day we hope will bring about peace. But today it is the fight of every one of us in this chamber to give what we can to life, to serve not for ourselves but so that those in darkness can share and know the joy of living too.

So, Mr. Speaker, on behalf of the blind in my home county of Oxford, who have appealed to me to speak for them and likewise for all Canadian blind persons, I want to say that although I may have been halting in my words I have been struck by the sincerity with which hon. gentlemen preceding me have spoken on this subject, and I earnestly hope and pray that the government will do its part to remove this barnacle that is upon it at the present time.

Then I should like to briefly commend the government and the Postmaster General (Mr. Cote) in particular for the legislation envisaged in the speech from the throne whereby in all likelihood some compensation is to be given to the rural mail carriers for the extra cost entailed today in fulfilling their duties. These men and women travel in all kinds of weather to see that the mail goes through. I am sure all hon. members appreciate their reasonable request for further compensation and hope the government, having taken cognizance of this pressing problem, will see to it that equitable compensation is made feasible. May I say frankly that as the member for Oxford I look forward to that day when mail service will be made available directly to all rural mail patrons where roads are passable and kept open. To me, Mr. Speaker, it is a barnacle on this fine department that on account of regulations a great number of people living in our rural parts are penalized by reason of distance and other qualifying factors. I feel that some revision could be made in these outmoded laws whereby our rural people, who pay their taxes just the same as the rest of us, might enjoy the privilege of direct mail service to their gates which their neighbour may now be receiving.

I presume that taxation is in the minds of many of our citizens. It is one of the greatest barnacles in the road of progress today. I recall that when I spoke in last year's budget debate I credited our Minister of Finance (Mr. Abbott) with being the architect of a fiscal policy that has made Canada the envy of the world. I said that as a result Canada's credit abroad was being strengthened, inflation was being controlled, capital for investment was being attracted and the Canadian dollar was at a premium in the market places of the world. At that time I made the suggestion that the weight on corporations was too heavy. Likewise today I reiterate that, national defence permitting, every effort should be made to reduce corporation and personal income taxes. I do not know that

I can interpret with greater propriety what I should like to say than to quote the words of Mr. B. C. Gardner, president of the Bank of Montreal, when at a recent shareholders' annual meeting he said:

> On the domestic side, development of Canada's resources and the expansion of industrial capacity should not be stifled by heavy taxes on business. With capital requirements running ahead of the amount new savings can provide, development is dependent on what industry itself can plow back in the way of undistributed profits and depreciation reserves. While a corporate tax rate which takes more than half of every dollar of profit may be a convenient fiscal devise, such a burden of taxation directly upon enterprise has very dubious connotations from the standpoint of enhanced national well-being.

Expanding on the president's remarks, Gordon R. Ball, general manager of the Bank of Montreal, said:

> It is essential in a country like ours, requiring as it does large sums of risk and investment money, that the tax climate provide an inducement to this type of capital.

So I repeat, Mr. Speaker, that, national defence costs permitting, the Minister of Finance should give his profound attention to this matter of easing the tax structure on all our citizens. Oh, I suppose, sir, there are barnacles in everyone's constituency. I know that for a long time there has been a barnacle existing in the town of Ingersoll in my constituency, a barnacle represented by the hazardous traffic tie-up that prevails where the C.N.R. tracks in that town cross highway No. 2. Since becoming a member of the house I have earnestly endeavoured to have it eliminated, and I am grateful to Mr. A. J. Lomas, vice-president of the C.N.R., for his co-operation in this direction. In his last letter to me under date of November 27, 1952, the vice-president informs me that he has included this item in their 1953 capital budget and is hopeful that the necessary approval will be obtained to carry out this work. While I realize that this is a matter of internal management, I can but emphasize again on behalf of the citizens of that fine community of Ingersoll the urgency and importance of seeing that the capital amount needed for this work be approved and that remedial action be facilitated as quickly as possible.

Then, Mr. Speaker, while I am thinking of the C.N.R. I think also of the fine C.N.R. station that the Speaker of this house has in his own city of Brantford. I mention it by way of contrast with the dingy and ancient C.N.R. station at Woodstock, Ontario, with its poor lighting, its dismal, unkempt, internal appearance which is not a credit to the C.N.R. or to the lovely city of Woodstock from which I come—Woodstock, Ontario, sir, which is noted for its beauty, for its key of freedom to visiting tourists, for its surrounding fertile fields and for its friendly people. I say, sir, that station is a barnacle in the life of my community, and likewise a barnacle on the main line of the Canadian National Railways. This, too, may be a matter for internal management, but in passing I make mention of it in order to emphasize that something should be done about it.

Well, sir, I am honest enough to say that I do not know all the problems of government, but I do know that my business as a pharmacist depends upon the good will of the public who patronize me; and any of us who carry on a business or a profession where we are dependent upon the good will of our customers or clients must make sure there are no barnacles on the mind, or on the institution of which we are a part. They get there, just as easily as barnacles get on the hull of a ship, for it is easy to say "That's a good idea, but let someone else try it." It is easy to persuade oneself that things that literally cry out for the doing do not need to be done. These become barnacles; and just as ships on historic voyages have met disaster upon the rocks, when the absence of barnacles might have meant the difference between life and death, success and failure, so too with a business; so too with government.

Mr. Speaker, I repeat that I do not know all the problems of government, but here are fundamentals about mankind that I have learned and that we all can learn if we read the pages of history. One of those fundamentals is that no matter how much there may be of animosity and difference of opinion, that which is best for the greatest number eventually must come to be. That which is fairest and most straightforward and truly honest, that which benefits most largely, must inevitably one day come to be.

To me, as a member of parliament, it seems life can be magnificent provided we are prepared to enjoy it to the full; and the way to enjoy it to the full is to periodically take the ship of state up on the sets of ways and there study it and clean off any barnacles that may cling upon it.

And now, Mr. Speaker, I hope I have not rambled too much; I may have detoured some but I am coming back to the main track. In coming back to the main track I emphasize to you that being a member of parliament is not so important. What is important is to do the job while we are here. If we do that, if we remove the barnacles that are obvious about us, then life as a member will be a lot more pleasant and Canada itself will be a finer country in which to live.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I rise to take part in this debate on the amendment at this time because of remarks that have been made by one or two previous speakers, on which I think we need to throw some light. I believe that the things to which I wish to refer can be made to relate a little more to the facts. I hope and trust that the things to which I refer will not be regarded as trivial things; but since my name had been mentioned in connection with one or two of them, and since other statements by implication certainly involve the Social Credit movement, I would like to make a few corrections.

I believe those who made the remarks will be happy to have all the facts before them. In the first place I wish to refer to a remark that was made by the hon. member for Burnaby-Richmond (Mr. Goode). At page 435 of *Hansard* he referred to me as going into British Columbia during the election campaign. He said:

> Against the wishes of their own convention, that hon. gentleman from Macleod was brought into British Columbia. There is no doubt that he, of all people, laid down the law as far as Social Credit and the provincial party are concerned. I am not surprised that my hon. friends on the other side in the Social Credit party have said they do not agree with some of the views expressed in that election.

In the first place might I say that no individual who attempts to run a campaign can lay down the exact things every speaker in that campaign may say. No man who leads an election campaign necessarily determines the policy of the provincial section of his party. That policy had already been laid down before I was asked into British Columbia, and I never interfered with that policy. My business was not to determine policy. My business was to try to lead the province to a Social Credit victory. With respect to the hon. member's remarks—"against the wishes of their own convention, that hon. gentleman from Macleod was brought into British Columbia"—I will say that I know the hon. gentleman from Burnaby-Richmond is a very fine gentleman and well respected, but I feel that perhaps he has been misinformed. I was not "brought into British Columbia."

Mr. Goode: As the hon. member has referred to me may I say that I was not misinformed, but that if I was misinformed it was by members of his own party.

Mr. Hansell: I will tell the hon. member and the house exactly how I came to go into British Columbia. The convention decided on the person they would have to lead the election campaign. At the convention four were nominated as men who might be able to lead the campaign. Two were from British Columbia and two were from outside the province. I was one of the latter two.

I am quite free to say, and I have nothing to hold back, that there was some discussion in the convention about whether it was advisable to have anyone from outside. That was natural. There is nothing wrong with that. When the four were nominated for the position I was not looking forward to being selected. Let me say that I am not looking for a lot of hard work and trouble, and I am certainly not desirous of going anywhere I am not wanted, believe me. Well, I do not mind going places where I am not wanted by my Liberal friends. Of course, they will not want any of us. I am certainly not desirous of going anywhere where our Social Credit people do not want me.

As I say, four gentlemen were nominated and three of them declined, so I was the one left. I said that I would accept and do what I could. I want to tell my hon. friend—and I do not say it with any air of braggadocio or anything of that kind—that the huge convention of nearly 1,000 people stood and gave me a rousing ovation.

Mr. Laing: Would the hon. member permit a question?

Mr. Hansell: Yes.

Mr. Laing: Is he aware that in that campaign there were subordinates working under him who came in from the United States and returned to the United States the day after the election?

Mr. Hansell: No, I am not aware of that.

Mr. Cruickshank: Oh, oh.

Mr. Hansell: If there was anyone, I have no hint as to what the member refers to.

Mr. Laing: I think it is contrary to the act, too.

Mr. Hansell: I have no hint as to what the hon. member now means.

Mr. Cruickshank: I thought you ran the campaign.

Mr. Johnston: You found out, didn't you?

Mr. Cruickshank: Yes, and the oil companies paid for it.

Mr. Hansell: If they did come in, then they came in without my knowledge.

Mr. Cruickshank: Oh, nonsense.

Mr. Hansell: I did not invite them. My hon. friend the member for Fraser Valley (Mr. Cruickshank) can bellow out if he wishes. I am simply stating the facts. If somebody slipped in and gave some speeches that I did not know about, I am not responsible for that.

Mr. Cruickshank: Didn't you run the campaign?

Mr. Hansell: Yes, I did run the campaign. My hon. friend knows very well that I ran it, and he knows how well I ran it. That is the reason he is so upset about it.

Mr. Cruickshank: On imports from the United States.

Mr. Hansell: He knows, too, that I had a meeting in his constituency.

Mr. Cruickshank: You lived in there.

Mr. Hansell: I had a meeting in the city of Chilliwack, and he knows that.

Mr. Low: Oh, you frightened boys.

Mr. Hansell: He knows that about 1,700 people turned out, too, and that is what is bothering him.

Mr. Cruickshank: They will always go to a circus.

Mr. Hansell: I shall do my hon. friend this credit and this justice, and say that I never spoke one word against him.

Mr. Mott: You could not.

Mr. Cruickshank: In fairness, Mr. Speaker, may I say that is quite correct.

Mr. Hansell: Perhaps I could not say anything, but if I could I would not. I shall say, further, that never in that campaign did I speak against any individual. I may have had a little fun at someone's expense. I may have referred, I think I did refer once or twice, to Mr. Anscomb and some statements that he made. If I was quoting a statement, I may have referred to the person who made it; but I may say that I never spoke one derogatory word against any individual in that campaign because that is not my style of operation.

Mr. Blackmore: Social Crediters do not need to say anything against anybody.

Mr. Hansell: I can assure my hon. friends that I never will. I claim that the people do not necessarily vote for men. In reality they vote for what they stand for, and it is what they stood for that I expounded or exposed.

Mr. Cruickshank: What do you stand for?

Mr. Johnston: You should begin to find out. It will pay you dividends.

Mr. Hansell: I thought perhaps the hon. member for Burnaby-Richmond (Mr. Goode) would like me to state that. I cannot help what some individual may have told him, but that is the fact and it will be shown in the minutes of that convention.

Mr. Goode: It is certainly not shown in the newspapers.

Mr. Low: What he said is true. I was there.

Mr. Hansell: As I say, it is a trivial thing. It is water under the bridge anyway, but I do not want any implication or statement to the effect that I pushed myself in where I was not wanted. I do not do that.

Mr. Cruickshank: Who wanted you there?

Mr. Low: You will want him in less the next time.

Mr. Cruickshank: We never came into your province.

Mr. Blackmore: You would not get a hearing if you did.

Mr. Johnston: Where did Gerry McGeer come from?

Mr. Cruickshank: From British Columbia; and he won his own riding, too.

Mr. Hansell: The hon. member for Fraser Valley said they do not come into our province. Perhaps they do not, but that is their own business. I will tell you what I will do. I will invite my hon. friend to come into my own constituency. Since I have been in his, I will invite him to come into mine.

Mr. Mott: If he comes in, you will never be elected if he tells the truth.

Mr. Hansell: That should not worry the hon. member for New Westminster (Mr. Mott). If that is so, why does he not send him in?

Mr. Mott: I will send him in. I will ask him to go in.

Mr. Hansell: You come along with him.

Mr. Mott: I will certainly come along with him.

Mr. Hansell: If you both come in, I will be able to sit down and be assured of my election.

Now, Mr. Speaker, I want to refer also to a statement that was made the other day by the hon. member for Vancouver East (Mr. MacInnis) in which he says that I used a phrase in answering a question which indicated that the Social Crediters believed in absolute licence for everyone to do whatever they wanted. I know what I said, and I know the phraseology I used. I was answering a question after I finished my speech concerning the welfare state. What did I say in answer to a question by the member for Winnipeg North Centre (Mr. Knowles) which appears at page 236 of *Hansard* for

December 1? The hon. member asked me if I would do away with welfare legislation, and I answered:

> I would like to answer the hon. gentleman's question if I may. It has always been found that you cannot readily retract or undo something the country has already done;

My hon. friend jumped up last night and inferred, therefore, that Social Crediters would do away with all social legislation. All I am saying is that if social legislation and socialism are brought in, and any other government supersedes it, it is sometimes hard to undo what has been done. That is all, and that has been proven in the United Kingdom in the last few months. It is always so. One government comes into power on the heels of another, and they have to work on the basis of legislation that has already been enacted or throw it out. Sometimes it is too late to throw it out, so one government builds upon another. I am sure the hon. member drew an inference there that was never intended. To read further from my answer:

> —but I would say that the greatest welfare that can come to the people is to leave with them their absolute freedom to act according to their own conscience and will, . . .

The hon. gentleman stopped there when he was quoting me, but that is not the end of my statement. There is only a comma there. This is where the commas come in again. It is true that I said that; but just because I said that people should be absolutely free to act according to their own conscience, surely he is not going to conclude that Social Crediters such as I or anyone else believe that men should be able to commit all sorts of crimes under the heading "absolute freedom". Surely he is not going to think we would advocate that a man should drive a car down the left hand side of the road at 100 miles an hour if he wished. Surely he is not going to say we believe that a man should have the freedom to run away with another man's wife. Surely he is not going to say that we are turning liberty into licence. Common sense tells him that is not so. Of course we believe in law and order. Of course we believe in regulation. Perhaps I should have used the term that is used in our manifesto. The term used in the preamble is that every individual should be given the "utmost" of personal freedom.

If the hon. member likes to play around with the exactitude of words, I am not going to be too much concerned about it. But suppose we should do the same thing with regard to some of his speeches. I have here a speech of his as reported in *Hansard* of March 11, 1947, in which he says at page 1264:

> I should like to point out now that the policy we believe in, that of social ownership of the means of life, is becoming increasingly accepted throughout the world, . . .

And so forth. Suppose I should take that phrase "social ownership of the means of life" and should say: "There you are. These folks believe in socializing the farms and they believe in socializing food." Perhaps I could do that. Perhaps that is what he meant. But I do not think that is what he meant. I think what he meant was that he believed in the socializing of factories and the wheels of industry. But if I wanted to play around with a phrase I could read all sorts of things into that one. In any event, this nation is not going to rise or fall on a phrase. Perhaps that is a trivial thing which I should not even have taken the time to mention. Social Crediters are not against orderly regulation. You have to have regulation. Of course we know that. It is one thing, however, to have regulation but it is another thing to lose your freedom under an ultimate socialist state. That is the thing we are against.

There is another point. Again I say these things are trivial; nevertheless, Mr. Speaker, they are harped on year in and year out. The hon. member for Calgary West (Mr. Nickle) took a little sideswipe at Social Crediters. His punch did not land at all heavily; it just tickled the jaw a little bit. As reported at page 283 of *Hansard*, he was explaining Social Credit policies and said something to the effect that that which stood behind our Social Credit dollars would be 'gosh knows what'. That is, of course, a humorous little phrase. We have had that sort of thing poked at us for a good many years. I do not know whether or not my hon. friend's difficulty is in understanding Social Credit dollars, but let me tell him this. I know the matter will not rest here. I know someone will pop up in a few weeks and say the same thing. Let me say that there is no difference between Social Credit dollars and any other dollars.

An hon. Member: And he knows it.

Mr. Hansell: We use the same dollar, the same money. Our objection is to the present financial policy. It is not a matter of dollars or the backing of dollars at all. That is not the issue. There is no difference between our dollars and Mr. Abbott's dollars. The difference is in the policy and the method of issue. That is the difference. Since my friend does not know what is behind Social Credit dollars

—he says they are backed by gosh knows what—I am just going to ask him this question and I should like him to explain it. I should like him to tell us what is behind Mr. Abbott's dollars.

An hon. Member: A great deal of hard work.

Mr. Hansell: When the hon. member explains what is behind Mr. Abbott's dollars, we shall be able to tell him what is behind Social Credit dollars. Dollars are dollars. That is all there is to it. They are only figures. They are financial figures backed by law. That is all they are. It does not matter whether you call them Social Credit dollars or any other dollars.

Mr. Hosking: Social Credit dollars will not be any good if you pay your dividends.

Mr. Blackmore: The hon. member is now talking nonsense.

Mr. Hansell: Mr. Abbott's dollars, in paying family allowances, evidently are all right.

Mr. Knowles: Yes; but they are worth only half what they were worth when the payments were started.

Mr. Hansell: My hon. friend says that they are worth only half what they were worth a few years ago. That is, of course, true. There used to be talk about Social Credit dollars being rubber dollars. I should like to know how far the housewife has to stretch the Abbott dollar today in order to make it buy what it used to buy. Talk about rubber. There is plenty of rubber in that dollar.

There is one other matter with which I should like to deal, Mr. Speaker, before I sit down. This was interjected by a number of speakers, including the Minister of Mines and Technical Surveys (Mr. Prudham) the other night, when he stated that Social Crediters did not have a monopoly on Christianity. I want to deal with that matter a little bit more.

Mr. Cruickshank: We should like to hear it.

Mr. Hansell: That same type of phraseology and that same type of argument has been brought into this chamber this session more than in any other session I have ever attended. I wonder why.

An hon. Member: Hypocrisy.

Mr. Hansell: Yes. Somebody pops up there and says "Hypocrisy". What does it all mean? I should like to know what it all means. All I am saying is this. Social Crediters never said they had a monopoly on Christianity. Somebody referred to the fact that our meetings were opened—yes; again it was the hon. member for Vancouver East (Mr. MacInnis)—by the singing of "O God, our Help in ages past". Well, what about it? Suppose we do open our meetings in that way. Why mention the matter now? We have done that for the last twenty years.

Mr. Blackmore: What better thing could we open with?

An hon. Member: "O Canada".

Mr. Hansell: We do.

Mr. Cruickshank: You do not.

An hon. Member: We do.

The Acting Speaker (Mr. Robinson): Order.

Mr. Hansell: If you can find anybody who is more loyal to Canada than are Social Crediters, tell us who they are. It is a wonder you do not say "Liberals".

Some hon. Members: Oh, oh.

Mr. Hansell: Mr. Speaker, this is a lot of nonsense we are having.

An hon. Member: That is true.

Mr. Hansell: Everyone knows the origin of our movement. We know that Mr. Aberhart absorbed the Social Credit idea. He saw in it a solution for the problems of the day. He was a great Bible teacher who had a large radio audience and he began to talk about it over the air. Clubs were formed, meetings were held. In the Alberta election of 1935 we had as our theme song "O God, our Help in ages past".

An hon. Member: That is blasphemy.

Mr. Murray (Cariboo): That is blasphemy against the United Church of Canada from Toronto to Montreal.

The Acting Speaker (Mr. Robinson): Order. I think all members enjoy spirited debate, but I must remind them that the hon. member who is speaking has the floor and should not be interrupted without his consent.

Mr. Blackmore: Spirited is good.

Mr. Low: Spirituous would be better.

Mr. Hansell: We always started with that hymn. What about it? Is there anything wrong with that? Surely a body of people who are interested in the country's welfare can sing a hymn of that kind. I hope we shall continue to do so. As far as I am concerned we will continue to do so. Let no one think he can scare us or humiliate us into any other position. I tell my hon. friend that I have come up against this thing all my life.

What do I care about that? During my early days I have stood on street corners and preached. Well, what about it. I will do it again. They have ridiculed me but what about it? Do I care?

An hon. Member: No.

Mr. Hansell: No, sir, I do not care. That is one of the freedoms I was talking about. Don't ever think they are going to scare us into backtracking on these things.

We believe that the Social Credit philosophy is basically Christian. Just because we go out and present that angle of our Social Credit thesis is no reason to pop up and say that we are trying to adopt a holier-than-thou attitude. We are very conscious of our failings many times. We do not go around talking about other people in that same way.

An hon. Member: You sure do.

Mr. Hansell: I should like to read the preamble to our manifesto. If anybody thinks he is going to have us cut out any part of this then he has another think coming. This is the preamble:

What is Social Credit?

Social Credit consists of three things: (a) A philosophy or set of beliefs: Social Crediters believe in the sanctity of human personality; that every person should enjoy freedom to develop his personality in accordance with his own desires, provided that he does not interfere with the similar rights of others; that the organizations of society should be subordinated to the end of insuring to every individual the utmost of personal freedom. Social Crediters believe that a genuine democracy must recognize the sovereignty of God from which springs the brotherhood of man. A Christian democracy so organized that the state and its institutions and functions are designed to serve the requirements of its individual citizens is the only social system that will ensure individual freedom. Social Crediters further believe that the people should be given every opportunity to obtain the results they want from the management of their affairs.

Mr. Cruickshank: Will the hon. member permit a question?

Mr. Hansell: I do not think I want to hear your question. If my hon. friend had not interrupted so much, if he had got up and spoken decently and asked questions, I would not have minded answering them. This time my answer to him is "no". I do not want to hear any of his questions.

Mr. Cruickshank: You are afraid.

An hon. Member: Fraidy cat.

Mr. Hansell: This group has never been afraid for over 17 years to answer any question.

Mr. Cruickshank: Why not answer this question, then?

Mr. Hansell: I do not believe it will be an intelligent one, and I have not the time to waste.

An hon. Member: How true.

Mr. Hansell: We are going out with that preamble and that manifesto; and if it emphasizes the sovereignty of God and our desire to have a Christian democracy, that is all right. We will go out and let the ridicule come. We are not afraid of that. Believe me, if anyone thinks we are going to back down on that issue they have another think coming. I am a preacher, and of course I occasionally—

An hon. Member: You just preach too much.

Mr. Hansell: That is the freedom we have in this country, and I will continue to preach a little more. If I go out and hold a political meeting and want to bring in a portion of the Bible, I am going to do it. It will not be the first time anyone has done that. The speaker who just preceded me closed his speech with a passage from the scriptures. What must we do? Must we say that he is mixing religion with politics?

An hon. Member: You certainly have.

An hon. Member: That is what the C.C.F. did yesterday.

Mr. Hansell: Let me say to the leader of the C.C.F. that I did not appreciate how he applied the passages of scripture yesterday when he spoke. I am certainly not going to apply it to him. I tell him and I tell anyone that I have the greatest respect for human individuals. I have gone out in this country and made public statements to thousands of people, lauding certain men with whom I disagree. It would not be the first time I have said that Mr. M. J. Coldwell is as good a living man as anyone in Canada.

An hon. Member: So he is.

Mr. Hansell: I have said that over and over again. People have asked me what I thought about the Prime Minister of Canada and I have said, "There is one thing, I believe he is an honest man."

Mr. Murray (Cariboo): And a Christian.

Mr. Hansell: I have said these things. I do not go around trying to deprecate individuals. I remember one time when I was in the office of the late prime minister, Mr. Mackenzie King. He wanted to see me about something and I thought he might detain me for a minute or two, but strangely enough I was there for from twenty minutes to half an hour. I was talking to him along the

same lines. At that time he was also secretary of state for external affairs and I mentioned to him that I believed that there were in the world great satanic forces which were out to destroy the human race. He said, "I believe that." I quoted a phrase of scripture to him as follows:

> For we wrestle not against flesh and blood, but against principalities, against powers, against the rulers of the darkness of this world, against spiritual wickedness in high places.

Mr. Mackenzie King said to me, "Mr. Hansell, I believe that; no man could be in my position today, with the responsibilities I have, without believing that." Well, is that saying that we are mixing religion with politics? All I say is this: You may make that charge if you like; but one thing I certainly will not backtrack on is in my belief that Almighty God has something to do with the destinies of nations.

An hon. Member: Do we deny that?

Mr. Hansell: No, I do not believe my hon. friend would. I do not believe there are many who would. But when somebody goes out and attempts to correlate that very principle with world movements or national movements, then right away he is branded as somebody who wants to bring religion into politics.

Well, that is part of my business. Once again I say we are not going to backtrack on it. My time is well-nigh gone, and I shall not take up more of it. But once again I say it is a surprising thing to me that all this seems to be happening now, when we have sat here for the last 17 years, doing the same thing throughout this country for the entire 17 years. Why should all this resentment come now?

I leave that for you, Mr. Speaker, and for the people to decide. I thank you.

Mr. Cruickshank: Would the hon. member permit a question now?

Mr. Hansell: Yes, if my hon. friend wishes to ask one.

Mr. Cruickshank: I think he will admit I have been fair. I just want to ask him if he does not think that we on this side of the house believe in that part of his manifesto dealing with Christianity.

Mr. Hansell: Well, I will say yes, I believe they do. But we do not go out saying, "Now, you must not talk that way." That is what I am trying to bring out. But why all this hullabaloo about religion in politics, when we go out to expound it?

Mr. Cruickshank: I did not ask for another speech. I just asked a question.

Mr. Hansell: And I answered the question, and gave a little bonus with the answer.

Mr. Mott: I am going to tell the hon. member who just spoke that I agree with the hon. member for Fraser Valley (Mr. Cruickshank). I do not believe—

Mr. Speaker: Order.

Mr. S. R. Balcom (Halifax): Mr. Speaker, with the speech of the hon. member for Macleod (Mr. Hansell) in the background I am sure the next twenty minutes will be quiet and peaceful. Anyway, I have not been going out to win elections.

We modest backbenchers who really live in the oblivion of *Hansard* welcome the speech from the throne, as it gives us an opportunity to express our opinions and offer suggestions —yes, even solutions—for taking the world out of the mess it is in today.

I say to you, Mr. Speaker, that I consider it very largely through your efforts that the public address system became a reality in the chamber. The improvement is already quite obvious, and I am sure most hon. members will agree with what I say in this connection. We were pleased to note that you and your committee saw fit to have a Halifax electronics firm make the installation. That, in itself, is worth something.

I wish to extend my congratulations, also, on the excellent choice made in the recent appointments of the two ministers. The choice of the hon. member for Vancouver Centre (Mr. Campney) as Solicitor General is an excellent one. With his wide experience in many fields, and the co-operative spirit that he not only shows but possesses, I am sure that his work will be well carried out.

The new Minister of Fisheries (Mr. Sinclair), who represents the constituency of Coast-Capilano, has already shown us his capabilities, and I know that his appointment as Minister of Fisheries has been welcomed by fishermen generally and by the industry as a whole.

In the last few years there has been an upsurge of interest in research, both scientific and in the social sciences. The government has played a constructive and important role in the development of facilities and training of personnel. In fact, so important is the role the government has played as employer and as a source of funds that it raises serious problems. All of us are painfully aware of the increase in the scope of government activity. The times in which we live have created new demands which can only be met by government action. But there is very real danger that this expansionist

trend will go too far. Overzealous public servants may undertake functions which are better performed elsewhere.

I suggest that there is much research that could be done by our universities, through foundations, rather than by government sources or agencies. For the more we throw under the control of government, the nearer we approach the socialist form of control. Today we live in a world divided only by ideas. Certainly space does not divide us any longer. In our world, Canada in particular, our most cherished idea is liberty, the kind of liberty that recognizes the importance of the individual. On this we develop the concept that not only is there an equality of the individual, but also of the provinces. A wonderful idea; but things do not always turn out that way. Where there are instances of inequality I like to think that it is more of a sin of omission than one of design.

Since the last session there have been several matters that have given me some concern. The first, perhaps, was the matter of redistribution; and in that connection possibly this is the right time to consider future policy in the redistribution of seats for representation in the House of Commons. Now that the heat of controversy has died down, and before new pressures arise, it is most opportune to examine the principles. In the redistribution of seats in the last session Nova Scotia lost one seat, because our population had not grown as rapidly as other parts of Canada. A new approach is most necessary in view of the uneven distribution of economic power among the different provinces.

We are still painfully aware of the centralizing forces in our industrial life. The government, in recognition of this, has adopted measures aimed at steadying the tide of such forces. Whether or not it has been done has been hotly debated. It is desirable in any case to assure to the outlying provinces a voice in the policies of this country. Adequate political representation may help restore balance in economic power. This nation was founded on the principle of unity with diversity. If we are to continue to reap the full benefit of diversity, and to fight effectively the mass mind so common in other countries, we must make it possible for the less wealthy provinces to develop. One way to assure that is to provide a real voice in the affairs of state. I suggest that we are going at it in a poor fashion when in 1953, with a population of something over 700,000 people in Nova Scotia, we will find ourselves with 12 members whereas in 1867, with half the number of people, we had 21 members.

[Mr. Balcom.]

Much has been said during this time of uncertainty of the need for every citizen to carry his or her responsibilities. In the field of material production the government has given active encouragement for full use of all who are able and willing to work. Employers and employees alike have been asked to work longer and harder. The government has gone further and urged upon industry the advantages of employing older workers. Employers have also been asked not to make retirement automatic at 65 but to employ and retire workers not on the basis of chronological age and to consider each individual case on its merits. Yet at the same time the age limit as set out by the civil service commission for employment in the government service is from 21 to 40. If this is to be the considered policy of the government, can one expect industry to take seriously the exhortations to employ older workers and to think twice before retiring employees automatically at 65?

The Minister of Labour (Mr. Gregg) deserves our thanks for the broad view he takes of this question. He suggested a short time ago that automatic compulsory retirement at a specified age is not only unkind and wasteful but cruel. We all know that there are myriads of men and women in this country able and eager to keep on working after 65. I realize that the civil service commission must have well recognized principles to guide them in their actions, but I suggest that too much emphasis is put on age instead of ability and individuality. The work of this agency has been lauded on many sides and the standard of our public service is a credit to Canada, but I am bound to say that certain weaknesses are apparent.

Presumably a policy is laid down and regulations are made for its application. With very many employees the result has been rigidity and inflexibility, frustration on the part of employees who feel that individual initiative and ability are only secondary. Let us recognize that the government must stand for not only the basis of high level policies but also an administration at the grass roots level. Somehow we have to get a better balance in administration between local responsibility and bureaucratic control from Ottawa. I am not suggesting for one moment that the civil service commission has not done good work, but I am suggesting that in the various departments there is room for a lot of improvement. I must say it is very frustrating to hear all the beefs and at the same time have little opportunity to effect improvements.

Speaking of public services, it is most gratfiying that there are prospects of the

return of two mail deliveries a day. Persistent representation helped to convince me that the reduction in service was working a real hardship on business establishments and individuals. For postal service the public pays and pays well. People felt they were getting less for their money with the passage of time. Further, it seems pointless to rush a letter across a continent in a few hours only to have it languish in the local post office for as many more for lack of delivery service. Surely this service can be restored without hardship to the postal staff. There is good reason why postal employees should have the benefit of a half day on Saturday or its equivalent or, what is better, why post office employees should have the same privileges as business and industry today, the people whom they serve. They should have the five-day week.

We in Nova Scotia were gravely concerned about the distribution of money voted by parliament for assistance to universities as recommended by the Massey commission. Indeed, an examination of the system adopted leads to the conclusion that it has the effect of giving the least to those who are doing the most. When the Prime Minister (Mr. St. Laurent) announced more than a year ago the government's decision to carry out the commission's recommendations concerning federal aid to universities, he gave it as his opinion that it was in the national interest to do so because the universities perform functions which are quite essential to the country and, indeed, to the proper administration of the government of the country. With that view I am sure every member of course agrees.

In recognizing the national importance of Canadian universities, the Prime Minister took the same view as the Massey commission which termed the universities "local centres for education at large", which serve the national cause in so many ways, direct and indirect, "that theirs must be regarded as the finest of contributions to national strength and unity". In view of this national importance which can be so easily recognized, it is a pity that the grants for the first year should have been allocated on a basis so unfavourable to the universities of Nova Scotia, none of which are wealthy. The Prime Minister, it will be recalled, made it plain that the system of allocation of the $7,100,000 which parliament voted was purely provisional. He pointed out that the government was not "in a position to ask parliament to accept any permanent scheme" of allocation.

The unhappy effect of this provisional scheme becomes so apparent when one examines it that in all fairness it merits careful review and revision before any permanent scheme is adopted. The people of Nova Scotia and their friends are especially concerned since the method adopted for the distribution of the 1951-52 grants resulted in Nova Scotia universities receiving the lowest amount per student of any province in Canada; and the discrepancy, as I shall submit, is by no means trifling. Members of the house will recall that the money voted by parliament was distributed according to provincial populations at the rate of 50 cents a head, without regard to the proportion of eligible students in each province. Speaking of 50 cents a head, it reminds me that it is said that away back in 1867 Nova Scotia was sold for the price of a sheepskin, 80 cents. That has no relation to these remarks on universities.

The method of distributing the grants, based on provincial populations, seems to be at variance with the accepted view that universities are of national importance. Nova Scotia universities, without question, are performing a national service inasmuch as many of their graduates enter business, the professions or public life in other parts of Canada. I need not endeavour to prove such a statement as that. I should like to put before the house the picture of how federal aid per student by provinces works out on the basis of the 1951-52 figures. I will mention Nova Scotia first, and I should like hon. members to keep the figure for that province in their minds. Here is the result:

Province	Amount Per Student
Nova Scotia	$ 92.45
New Brunswick	136.19
Prince Edward Island	184.27
Newfoundland	483.16
Quebec	105.21
Ontario	126.28
Manitoba	98.74
Saskatchewan	108.73
Alberta	162.88
British Columbia	102.86

You can see from these figures that many universities received double what those of Nova Scotia received. That indicates how great a disparity results from the method employed. Yet surely it is unfair to penalize Nova Scotia, for that is the effect, simply because we have a high proportion of eligible students. It should not be too difficult to set up standards for all Canada and define exactly what is meant by "university" and what is meant by "eligible student", so that a system can be devised which will be fair to all, giving a uniform rate per student irrespective of location. Indeed there is no real difficulty which was not fully met and

surmounted in the system used for the Department of Veterans Affairs grants, a system which had the merits of fair play and of simplicity of administration. Simplicity of administration should recommend it.

Surely it is fair to say that one of the objectives of these federal grants to universities is to encourage these universities to educate students for the benefit of the nation. But a system which penalizes the province that has the greatest proportion of eligible students hinders rather than helps the pursuit of that objective. The case, I believe, is sound. Our universities ask for no more than a system which will be fair to all. We are not asking that anything be taken away from anyone; we are merely asking that such a system be adopted without delay so it will govern the distribution of the grants for 1952-53.

Speaking in the debate a few days ago the hon. member for Charlotte (Mr. Stuart) gave us something to think about. His constituency is contiguous to the United States, and the facts and figures he quoted must be particularly galling to Canadian citizens in the border areas. There was, said the hon. member for Charlotte, a great deal of criticism with regard to the subsidization of farm and fishery products, but he submitted the most glaring example of subsidization was that represented by the difference in prices of many manufactured products here and in the United States.

Differences in cost between certain specified items in the United States and Canada were quoted. The accuracy of these comparisons may be challenged, but there can be no challenging the fact that prices in Canada are much higher in many lines than in the United States. Of course, the hon. member blames the tariff and the tendency to take advantage of the tariff as the cause of the difference.

I am sure that with these instances before us more and more Canadians are wondering if the price of Canadian economic independence is not coming too high. Canada, as everyone knows, has a very great stake in the removal of trade restrictions and in broadening the market for our exports. Yet we must recognize that protection of one kind or another is part and parcel of the commercial policy of all countries including our biggest markets, the United States and the United Kingdom. In our own country, many industries have grown up behind protective tariffs, industries which have added greatly to our wealth and development. We are reminded from time to time that this has been done at a price, which is paid by the general public in the consumption of goods.

I believe that it would be foolish to suggest the removal of all such restrictions. We are forced to restrain to some extent the purely economic factors. The efforts to encourage the further fabrication of pulp and lumber products within our own country are well justified. The processing of industrial materials, such as iron, steel and aluminum, rather than exporting them raw, is desirable. Our very strong position with respect to certain of these very important commodities should determine our public policy. But that does not mean the same degree of protection should be accorded to each and every manufacturing project which seeks it.

It is a truism that the less well-organized groups in our society tend to be neglected. I am afraid that John Q. Public, as the consumer who does the purchasing, is in this category. Why, for example, should the purchaser of a television set pay a certain price in Canada when the identical set can be purchased across the border for not much more than half? Is there any major part of the public interest advanced by the artificial development of this particular industry in Canada? Certainly, due to our concentration of industry in Quebec and Ontario, the maritimes are suffering in paying a high price for everything they buy.

We have today a very special interest in television. When the field of television is broadened and extended to the areas of Vancouver, Winnipeg and Halifax, I believe everyone within the range of these stations should be entitled to buy a television set at the lowest cost possible. There should be a television set in every home, not just the wealthy homes, so the people as a whole may receive the benefit of the instructive and educational features so broadcast.

Therefore, Mr. Speaker, may I respectfully suggest that the government take under consideration for this item, television sets, a lowering of the protective tariffs and excise taxes so the service rendered by the Canadian Broadcasting Corporation in this field may be enjoyed by the largest number of people possible. As it is at present, the whole of Canada is paying for the protection of the few.

Before leaving this question of protection, may I draw the attention of the house to a very serious matter that reflects on the income of our national harbours, our railroads, and the stevedores connected with

any ports of exit, such as Halifax and Saint John. It is the matter of the export of Canadian automobiles and parts through United States ports. Automobile companies receive practically all the protection they require, but they in turn are not playing the game with the people of Canada as a whole, nor with the seaports of Canada which are equipped and capable of handling our export trade. We deplore the fact that these companies are not playing their full part as they should in shipping through Canadian ports. I think it is poor gratitude, and certainly not patriotic, for these companies to export their products through United States ports after receiving concessions from the people of Canada, including the stevedores and the railway workers who are dependent upon the movement of export traffic for their livelihood.

I would like to quote a few statistics concerning these exports. In 1948 Canadian automobile manufacturers exported through United States ports 26,082 automobiles while through Canadian ports went 22,087. At the same time automobile parts to the value of $4,454,050 were exported through United States ports, and $9,091,853 through Canadian ports. Now we come to 1951 and we find almost a complete reversal. Exports through United States ports were 50,465 cars as against 10,011 through Canadian ports. In 1951 parts went through United States ports to the value of $8,435,467; through Canadian ports just about one-half that amount, $4,534,140.

I submit, sir, the manufacturers have a poor sense of gratitude, but I wish to go further. The Matheson submission last September to the Minister of Transport (Mr. Chevrier) on the non-absorption by the railways of the national harbours board top wharfage surcharges contains a statement showing country of destination, dollar value and shipping weight in tons of export traffic originating in Canada and routed via the port of New York during the month of February, 1952. The figures I am giving you now are based on the United States department of census returns. The dollar value of these February exports through New York was $31,287,998, which means 68,126 shipping weight tons, all lost to our Canadian ports and our national revenue. Automobiles, trucks, buses, trailers and parts shipped amounted in value to $15,835,869 and in tonnage to over 53 million pounds. The automobile people are not the only offenders, because Canadian goods generally have been flowing out of United States ports instead of Canadian ports. During 1951 the value of these goods amounted to $257 million, which was about 16 per cent of Canada's total exports to overseas countries.

These figures are disturbing, and should be to every member of this house, because the tendency to ship through United States ports is increasing. In 1949 less than 11 per cent of Canada's overseas exports went out of United States ports. In dollars this meant about $155 million, and as I have told you this amount has grown to over $257 million.

I listened with considerable interest to the several speeches on behalf of the sugar beet industry, which has been affected by the importation of Cuban cane sugar. While I have every sympathy with the speakers, I cannot go along with them in their suggested remedy, namely more protection. It seems natural, I suppose, for an industry to seek government aid when that industry appears threatened. But if my information is correct, sugar is already receiving protection to the extent of $1.89 per hundred pound bag.

In considering the suggestion for increased protection, we must remember that other commodities in addition to sugar enter into the picture. In 1951, when the Cuban agreement was made, concessions were obtained for several other items of food, one of which was an important maritime product, salt codfish. Last year Canada exported salt codfish amounting in value to $2,412,000. Then, in addition to our salt codfish, potatoes were exported from the maritimes in huge quantities. Let us not do anything to protect one product that would jeopardize the trade the maritimes are enjoying with Cuba. In other words, why rob Peter to pay Paul? Personally I think Paul is doing very well now.

Later on in the session, Mr. Speaker, I intend to have something to say about health insurance. Since this is a project so extensive and involving so many services that we have not now available, I think I can well wait until a later time to speak on it. There is a subject, however, very much alive today on which I should like to touch, namely increases in the pensions of worthy indigent parents of deceased soldiers. We all know of numbers of parents who gave everything they had in order to educate their sons only to have them, on the completion of their education, enlist in the armed services. Some of these boys were killed. Many of them were married and left families, but automatically the wife and family are provided for while the indigent mothers and fathers are left without support.

This government has been most reasonable, may I say even generous in their treatment of the returned soldier and the pensioner. The Silver Cross Women of Canada, to whom I pay sincere homage, have made what seems to me a timely and urgent appeal on behalf of these people who gave so much, in many cases all they had. I would ask that the same treatment with regard to pensions be accorded to these indigent parents whose sons were killed in the defence of this country, and that the awards be made along the lines suggested by the Silver Cross Women of Canada.

On motion of Mr. Higgins the debate was adjourned.

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

producers, whether agricultural or otherwise, will wish to have some indication, before they are called upon to plan for their production during the coming year, as to whether or not some solution has been found of this very great difficulty being encountered by our agricultural and other producers across Canada today.

I would recall that on other occasions great hopes have been built up by generalities, and then no positive results have followed which supported those generalities. Quite apart from what may have been accomplished for the general purpose of laying the foundation for wider plans in the future, there is the question in the minds of all of us, and particularly the agricultural population of Canada: what has been done to find markets for our agricultural surpluses? To that question I feel sure our agricultural population, and also the other Canadians who produce foods which are normally exported in large quantities to the United Kingdom, will wish an answer at the earliest possible date.

To close these comments at this point, I would further emphasize the fact that there is uncertainty about this statement which was indicated by Mr. Matthew Halton yesterday in a broadcast from London when he said, and I quote his words:

> There are two answers to the problem of Britain and the sterling area.

He is referring to the statement which emerges, and he makes his own comments as to its inadequacy. He said:

> One is simply harder work and better planning; the other is American help. These two facts emerge clearly throughout the verbosity of the conference communique.

Since that statement was conveyed to Canadians generally throughout Canada yesterday by the C.B.C., and also the other comments which leave the impression that the people over there were in almost as much of a fog in regard to this communique as they had been in a physical fog for a few days prior to its publication, I would hope that at the earliest possible date we may have some explanation and clarification, so that, in the words of the Prime Minister, we may consider this communique with something approaching the same measure of care, and I would hope understanding, as was devoted to it by those who drafted it in London.

Mr. Solon E. Low (Peace River): We are not going to say anything at this time about the communique, which I should like to have a chance to study more carefully and, as the Prime Minister said, to weigh its words before making any comment.

With respect to the Currie report, I shall withhold any comment until I have had a chance to digest its contents most carefully. But we do want the Prime Minister to know that we join with other members in the house in welcoming his report of the audience he had with Her Majesty the Queen, and we deeply appreciate the message Her Majesty has sent to us.

PRIVATE BILL

FIRST READING—SENATE BILL

Bill No. 42, to incorporate Peace River Transmission Company Limited.—Mr. Murray (Cariboo).

FISHERIES

PROTECTION OF COASTAL FISHERIES

Hon. James Sinclair (Minister of Fisheries) moved the first reading of Bill No. 44 (from the Senate), to protect the coastal fisheries.

Motion agreed to and bill read the first time.

COMPANIES' CREDITORS ARRANGEMENT ACT

LIMITATION TO COMPANIES WITH OUTSTANDING BOND ISSUES

Hon. Stuart S. Garson (Minister of Justice) moved the first reading of Bill No. 45 (from the Senate), to amend the Companies' Creditors Arrangement Act, 1933.

Motion agreed to and bill read the first time.

MERCHANT SEAMEN

REVISION OF RATES OF COMPENSATION TO DISABLED SEAMEN

Hon. Alphonse Fournier (for the Minister of Labour) moved the first reading of Bill No. 46 (from the Senate), to amend the Merchant Seamen Compensation Act.

Motion agreed to and bill read the first time.

TERRITORIAL LANDS ACT

ADMINISTRATION OF PLACER AND QUARTZ MINING OPERATIONS

Hon. Robert H. Winters (Minister of Resources and Development) moved the first reading of Bill No. 47 (from the Senate), to amend the Territorial Lands Act and to repeal the Yukon Quartz Mining Act and the Yukon Placer Mining Act.

Motion agreed to and bill read the first time.

Inquiries of the Ministry

PACIFIC DEFENCE

POSITION OF CANADA IN PACIFIC DEFENCE AREA

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, I should like to ask a question of the Prime Minister. A news dispatch over the week end indicates that the United Kingdom is now being given a voice in Pacific defence, presumably by becoming a party to the Australian-New Zealand-United States treaty. What steps, if any, has the Canadian government taken to gain the same position for Canada?

Right Hon. L. S. St. Laurent (Prime Minister): I did not have an opportunity to discuss the Pacific pact, in any way, with anyone whatsoever, while I was away.

LEVEL CROSSINGS

INQUIRY AS TO SAFETY PRECAUTIONS

On the orders of the day:

Mr. Gordon Graydon (Peel): Mr. Speaker, I should like to ask a question of the Minister of Transport, of which I have given notice, and have sent him newspaper clippings in connection therewith. My question is prompted by a level crossing accident at the intersection of Lawrence avenue and the Canadian National Railways line in Weston last Friday night, in which two Brampton residents lost their lives.

My question is contained in a long sentence, but I believe it is as concise as I can make it and, at the same time, have it in proper form. In a case where there is a double railway track and a train is standing on one of such tracks near an unprotected level crossing or sufficiently close to a protected level crossing to make the wigwag or flashing lights operate, is there any railway regulation which calls for one of the crew of that standing train to proceed to the intersection and to warn the highway traffic of trains approaching on the other track which may be hidden from view because of the standing train?

Hon. Lionel Chevrier (Minister of Transport): The answer to my hon. friend's question is as follows:

At a protected crossing such as the one in Weston, which the hon. member has in mind, the operating rules as approved by the board of transport commissioners do not call for flag protection by a member of the crew of the standing train, since the operation of the wigwag or flashing lights is considered as sufficient protection.

[Mr. Winters.]

Mr. Graydon: In view of the number of accidents of this kind that have occurred in the past, would the minister review the situation?

Mr. Chevrier: I should add that the board of transport commissioners have these regulations constantly under review. I am sure that, because of this terrible tragedy, they will take the matter under consideration. In any event I can assure my hon. friend that we in the government are considering the question of further protection at crossings, and I would hope at some future date to bring something more concrete to the house.

NATIONAL DEFENCE

NEWFOUNDLAND DEFENCE PROJECT—MAINTENANCE OF ROAD

On the orders of the day:

Mr. G. F. Higgins (St. John's East): Mr. Speaker, I should like to direct a question to the Acting Minister of National Defence. Will the minister say, in view of the contents of the telegram from the city clerk of the municipality of St. John's, Newfoundland, a copy of which I have sent him, that immediate measures will be taken to ensure that the south side road in the town of St. John's from Job's bridge to Fort Amherst will be put and maintained in a safe condition during the period it is being used for national defence projects?

Hon. R. O. Campney (Acting Minister of National Defence): I thank the hon. member for giving me notice of this question. Unfortunately, not through his fault, I received it only as I came into the house. It deals with a detailed matter in St. John's with which I am not cognizant. I do not know whether the department has any responsibility in the matter, but I shall make inquiry.

CANADIAN NATIONAL RAILWAYS

TRURO-SYDNEY—USE OF DIESELS

On the orders of the day:

Hon. Lionel Chevrier (Minister of Transport): On Friday the hon. member for Cape Breton South (Mr. Gillis) asked whether there was any truth in a rumour that Canadian National Railways were to put diesel engines in operation on the road from Sydney to Truro. In reply may I say that in 1953 the Canadian National Railways plan to assign ten 1,600 horsepower road diesel units to handle freight between Moncton and Mulgrave. The Canadian National Railways do not contemplate assigning any diesels to Cape Breton island during 1953, other than one diesel switcher to the yard at Sydney.

FISHERIES

BAIT DEPOTS—INQUIRY AS TO ASSISTANCE IN NEWFOUNDLAND

On the orders of the day:

Mr. W. J. Browne (St. John's West): Could the Minister of Fisheries add anything to a statement which appeared in the press about financial assistance to be given in Newfoundland for the construction of bait depots?

Hon. James Sinclair (Minister of Fisheries): I cannot add anything today.

INQUIRY FOR RETURN

PURCHASES OF CUBAN RAW SUGAR

On the orders of the day:

Mr. J. W. Murphy (Lambton West): I wonder if the Minister of Trade and Commerce could tell the house when the letters will be tabled which were referred to in the motion for papers agreed to on December 10 and having to do with purchases of Cuban raw sugar?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I shall make inquiries. I believe they have gone to the office of the Secretary of State (Mr. Bradley) and it should be only a matter of a day or two.

IRRIGATION

SOUTH SASKATCHEWAN COMMISSION—INQUIRY AS TO TABLING OF REPORT

On the orders of the day:

Mr. P. E. Wright (Melfort): I should like to direct a question to the Prime Minister. Earlier this session he indicated to the house that the report of the royal commission on the South Saskatchewan river project would be tabled at an early date. May we expect it before the Christmas holidays?

Right Hon. L. S. St. Laurent (Prime Minister): I shall have an inquiry made. When I informed the house to that effect I had been told by the secretary that under the instructions of the commission he was having it printed and that it would be made available just as soon as it was printed. It is intended that it be made available to the house as soon as it is printed, so I will make inquiry about what advance has been made in the printing.

ATOMIC ENERGY

INQUIRY AS TO DAMAGE AT CHALK RIVER PLANT

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Will the Minister of Trade and Commerce (Mr. Howe) inform the house about the present situation at the atomic energy plant at Chalk River, including the extent of damage to the plant?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I have been away over the week end, and, since my return, I have not been able to get an authoritative report. Dr. Mackenzie is now on his way from Chalk River to Ottawa.

I think I may say that, as far as money is concerned, the damage was negligible. There was apparently a certain amount of contamination but I am not sure of the cause. Precautionary measures necessitated shutting down of the area but that contamination has been cleared up and work has now been resumed. I will be glad to give a more complete report tomorrow.

ESTABLISHING OF COMMITTEE

Right Hon. C. D. Howe (Minister of Trade and Commerce): In reply to an earlier question by my hon. friend, asking if the government would give consideration to establishing a committee on atomic energy, I am able to tell him today that a committee will be established.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Friday, December 12, consideration of the motion of Mr. J. L. Deslieres 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. Blackmore.

Mr. G. F. Higgins (St. John's East): I wish to offer my congratulations to the mover and seconder of the address in reply, and to compliment them for their excellent speeches. I may say that I had hoped that one of our Newfoundland members would have had that honour but now, I suppose, we will have to wait until the next parliament when a Newfoundland member of the Conservative party will have the privilege. I would also like to join with my own leader and the leaders of other parties in saying to the Prime Minister (Mr. St. Laurent) how glad we are to see him back and to see how well he looks.

At the outset may I say, Mr. Speaker, that I intend dealing chiefly with Newfoundland provincial matters because they are very important. I do not expect any great differences of opinion even from our own Newfoundland members now that the Secretary of State (Mr. Bradley) is absent.

An hon. Member: Where is he?

Mr. Higgins: Well, I do not know actually where the Secretary of State is. He is supposed to be in Newfoundland but the city clerk of the municipality of St. John's today sent a telegram to him here in Ottawa. He is not here and he is not in Newfoundland so I do not really know where he is actually. I do not know whether any of the other ministers know either.

As I said, I intend dealing chiefly with Newfoundland matters because they are non-controversial. I won't deal with anything controversial since the rum in Ontario is of very poor quality indeed. What brings that up? Well, a column by the Junior Chamber of Commerce in the St. John's *Telegram* of December 6 contains this paragraph:

> Plain speech is a lost art in these parts. The modern Newfoundlander needs three tots of strong rum before he clears his throat, and a good look under the sofa and behind the door before he ventures an opinion on any controversial subject.

As I say, Ontario rum is not very good and, consequently, I am not going to deal with any controversial matters. My statement is no reflection on hon. members from Newfoundland, because I do not know any one of them who partakes of such a libation—other than myself.

The first matter I wish to deal with, Mr. Speaker, is Bell island and the petition presented the other day. It is not a new subject by any means, because I note in sessional paper 149J of June 29, 1951, that I first brought this matter to the attention of the Minister of Public Works (Mr. Fournier) on November 19, 1949, and I did so continuously from that time until March 19, 1952. That has been a long period of time and during it I have stressed to the minister the importance of the terminal facilities between Bell island and Portugal Cove being attended to. Let me tell you that Bell island at present has the largest iron ore mine in the British empire. It has been producing constantly for some fifty-eight years and from a question answered, as it appears in *Hansard* of December 10, 1952, more than half of the iron ore produced in Canada in 1951 came from Bell island. Moreover, Mr. Speaker, the community of Bell island has a population of more than 10,000 persons. It is a major industrial area in the province, 2,000 workmen being engaged in the mining industry. It has annual earnings of more than $6 million and the money spent, including earnings from secondary industries in the island, is very great indeed. A considerable portion of the tax on these sales, naturally, is paid to the federal government in the form of income and corporation taxes, sales tax, licence fees and royalties. The community of Bell island is a very important factor in providing the United Nations with raw materials on which the defence of the western world lies.

We all agree that the mining industry is a hazardous one and the extension of a proper ferry service to the mainland of Newfoundland is most important, especially in view of the fact that the island is without proper hospital facilities. Last year the ferry service transported at least 100,000 passengers and 15,000 motor vehicles, together with goods and supplies of all kinds which are used by this thriving and prosperous community. Bell island required speedy dispatch of mails and freight but such service is not presently being provided. The residents of Bell island ask for a proper terminal dock to be provided at Bell island and at Portugal Cove.

The position, as the minister has told me from time to time, is that they are ferry wharves and, consequently, are not maintained by the federal government. Well, Mr. Speaker, I have to take issue with the minister there because I notice that in an advertisement in the *Canada Gazette* of October 4, 1952, at page 2726, there is an advertisement for the construction of ferry landings, Howe island—Pickett's ferry—Ontario. That advertisement is signed by the acting secretary of the Department of Public Works, Mr. Robert Fortier. That is a provincial ferry and the wharves are being maintained by the federal government. Moreover, term of union No. 33 provides that all Newfoundland public wharves shall be the property of the federal government. No notice was ever given to the province, nor was it ever discussed at any time until this application was made, suggesting that this ferry wharf would not be maintained by the federal government. Therefore, I submit, Mr. Speaker, it is fair and reasonable to say that, as we were not given proper notice, this wharf should be considered as a public wharf and maintained accordingly. The terminals were constructed and are maintained, I am told, by the federal government for the ferry running from Amherst island to Milhaven in Prince Edward, a distance of two miles, a ferry which carries twelve cars.

Now, Bell island has been the scene of very great activity. The Portugal Cove wharf has had the honour of being the point of embarkation of the late King George VI during his tour in 1939, and of our present Queen Elizabeth when she left Canada to return to the United Kingdom after her tour last year. I must say that it was a great disgrace to see the type of wharf from which our Princess, and now our Queen, had to embark on the little ferry in order to board her ship. It reflected no credit on the minister to say that

this was a ferry wharf and he could not put it in shape.

The other day when I commented on the fact that on Thursday last we were celebrating the fourth anniversary of the signing of the terms of union, hon. members were good enough to indicate that they approved and hoped the union would be a happy one. Now, Mr. Speaker, one of the offspring, if I may use the term, of this union is this wharf, and I am quite certain in my own mind that it is the obligation of the Minister of Public Works. I want to know what he is going to do about our Bell, meaning Bell island. So far as I am concerned the matter will not be permitted to drift any longer.

I refer you to *Hansard*, page 4475, of June 21, 1951. At that time, I drew attention to the great difference in the moneys being allotted for public works between the districts in Newfoundland represented by hon. members on the other side of the house and hon. members on this side of the house. On page 4474 of *Hansard* for that day, I said this to the minister:

> From April 1, 1949, the district of St. John's East had spent in it $38,108.56 . . .
>
> In the district of Bonavista-Twillingate represented by the Secretary of State, the amount was $267,095.21.

On the same page of *Hansard* I said:

> In this year (meaning 1951) the work called for in St. John's East amounts to $69,803; in Bonavista-Twillingate, the constituency of the Secretary of State, $1,332,575.

In the current estimates, for the same type of work, construction, acquisition, major repairs and improvements of harbours in Newfoundland, the Secretary of State has a total amount of $862,000 allocated to various wharf improvements in his riding, and the district of St. John's East has not got one red cent allotted to it.

Some hon. Members: Shame.

Mr. Higgins: I am not referring to other Liberal hon. members from Newfoundland, but they have their share. All you have to do is look up that page in the estimates for this year, and you will see a very large figure representing the amounts they are receiving for wharves and other items of this nature. There is not one wharf in the province of Newfoundland that is as important as the wharf in Portugal cove and the wharf in Bell island. I say that without fear of contradiction, successful or otherwise, by any member. I want to find out what is happening.

I have a letter from the chairman of the citizens committee, and I am going to read brief extracts from it. The chairman is Mr. Addison Bown, who I might add was a cabinet minister in the first Smallwood administration, so I suppose he can be considered unbiased. The letter is dated December 7, Bell island, and reads:

> I might say that the transportation problem here is steadily growing worse, especially since winter conditions have set in. The *Maneco* suffered damage to her engines recently in a fire, and as soon as the *Kipawo* returns to the service she will have to be taken off for overhaul and repair. This means that we will be left with only one boat for some time longer.
>
> The freight situation is about as unsatisfactory as it is possible to have it. . .
>
> I am sure you realize the desperate need for action in the matter . . .

In the *Daily News* of November 3, there appeared this item:

> The committee has learned with grave concern of the accident at Portugal Cove on Thursday when a loaded truck owned by Chester Dawe Limited fell into the landwash as a result of the collapse of part of the roadbed approaching the wharf.

On October 31, this item appeared:

> The storm has again proved up the need for a better ferry service. There have been two stormy days now and all day yesterday, Bell Island was marooned from outside contacts.
>
> The ferry had made only one trip the day before and sources on Bell Island stated it certainly shows the need for a better ferry terminal at Bell Island and also at Portugal Cove.

This morning I received a telegram from the general superintendent of the Dominion Wabana Ore Company, the operating company on Bell island. In part, he says:

> Present condition unbelievable unless seen and has making of terrible accident.

So far as I understand this ferry question, Mr. Speaker, and I have obtained this information from a top official of the minister's office, "where the need is established and the province is either unwilling or unable to provide proper facilities for ferries and ferry terminals, then even though the ferry is operating wholly within a province, suitable ferries and terminal facilities have been provided by the federal government, either on a contributory or on an outright basis, with the federal government paying the entire cost." I do not know why the provincial government is taking no action in this matter. If it is, I have not seen any appeal, as I have said before, for assistance. I am informed indirectly that the federal government have made an offer to the provincial government of Newfoundland of a contribution of 50 per cent of the cost of providing proper terminals and proper ferry services. I believe that offer was made some four months ago, but I have heard nothing officially from the department at all. As a representative of this district, I think it most unfair that I am not told exactly what is happening. If the provincial government has the money, I should like to know what is being done towards providing proper facilities, but if they have not got

the money then I think it is time the minister stepped in and provided these facilities anyway.

The next matter that I wish to deal with is the question of the federal public building at St. John's. I recently asked the Minister of Public Works what plans he had in sight for the erection of that building. I sent him a communication from the chairman of the St. John's town planning commission, Sir Brian Dunfield; and in view of that communication, I asked him what comment he was prepared to make as to the building. I believe the answer he gave me was that when he was in doubt he did nothing. I do not know whether the minister is still in doubt. I should like to have from him a straight answer as to whether or not he is going to erect this building in the government house paddock. He has had this protest, and his deputy minister had a letter as far back as April 18, 1952 from Sir Brian Dunfield, chairman of the town planning commission of St. John's. The first paragraph of that letter reads as follows:

> I am chairman of the St. John's town planning commission, a statutory body; and also chairman of the St. John's city planning committee, a larger voluntary non-statutory body lately appointed by the city council to help them in certain directions. The two are distinct but work together.

Another paragraph reads as follows:

> I exchanged a letter with your minister, Mr. Fournier, on this subject in October last, and he kindly promised to keep us in touch with the matter, and to have a senior official see us before anything was decided; but we have not heard anything since, and we know that measuring and estimating is still going on.

In that long letter to the deputy minister he set forth various sites where the building could be erected, but he finally winds up by saying:

> We trust that your department will not come to any final conclusion in the matter of this site without consulting us. The city will naturally expect to be consulted; and my committees, as arms of the city, would be considerably affronted if they learned at any time that a scheme had been adopted without local consultation.
>
> We hear that engineers have been seen measuring on the government house paddock. You know, I take it, that the town planning commission will object strongly to any such use of this important open space in the midst of a high-class residential area? We have said so before.

I last discussed this matter with the minister in 1951, as set forth at page 4477 of *Hansard* of that year. Without going into all the details of the discussion at that time, it is clear that the minister said that they had picked a site. He said that the site was at, as he describes it, Circle road and Bannerman avenue. What he really meant to say was Circular road and Bannerman road.

[Mr. Higgins.]

That is the particular site that I am speaking about today. That is the site that the objection is taken to, and it is against the use of that site that I am again protesting.

The minister at that time in 1951 said that all that remained to be settled was the question of price; that he had been negotiating with the premier of Newfoundland, Mr. Smallwood; that Mr. Smallwood had agreed to give him that land but had not put any price on it as yet; and that was all that was holding the matter up.

The last time any land was taken from government house property was when it was taken by the present Secretary of State, (Mr. Bradley) and it was taken by him when he was solicitor general in Sir Richard Squires' administration, I believe. I again protest against any selling by the Smallwood administration of this site to the federal government for use in the erection of a public building. I have already told the minister of the strong protests that appeared in Newfoundland newspapers and that have come from various public bodies such as the municipal council and the board of trade. I trust that he will not only remain in doubt about the matter, but will definitely make up his mind to do nothing further about erecting a building on that site. He has had suitable sites given him by the chairman of the town planning commission, and I recommend to the minister that he follow the commission's request.

The next matter that I wish to deal with is the question of the trans-Canada highway in Newfoundland. On several occasions during the last session and previously I asked the minister in charge of this particular project whether there had been any agreement to relax the standards of the trans-Canada highway in Newfoundland; and on all such occasions he said that no such agreement had been made. The last time a formal question appeared on the order paper—it is question No. 20, but unfortunately I have not the date; it was some time during last session—it was as follows:

> Is the completed highway in Newfoundland to be of the same standard as that of the other provinces?

The answer he gave was:

> The government of Newfoundland signed the same agreement as the other seven signing provincial governments. The agreement provides for variations and specifications to meet local conditions but in general the same standards apply for all provinces.

I take it that those specifications the minister refers to are minor indeed. What do we find? Somebody is fooling somebody. I do not accuse the minister, but certainly

somebody is doing that because here is a statement by the minister of public works of Newfoundland dated July 17, 1952, as published in the *Evening Telegram* of that date. It is headed, "Discuss Trans-Canada Highway Work in Newfoundland", and reads in part as follows:

> . . . federal provincial cooperation in the building of trans-Canada highway links in Newfoundland . . .
>
> Trans-Canada standards demand that muskeg be excavated or blasted to a depth of ten feet and replaced by stone or gravel fill. The custom in Newfoundland has been to build roads across muskeg with a brush mat or corduroy foundation.
>
> While the Newfoundland method has been perfectly satisfactory for light-traffic roads with a gravel surface, it will not work for a paved highway, Mr. Spencer said, since the roadbed tends to settle, and the rigid surface of the road to become broken.
>
> "We have been in the habit of excavating marsh only to the depth of about two feet," Mr. Spencer continued, "and we are not yet sure whether we will attempt to meet the full standards of the trans-Canada highway locally."

That is an extremely serious matter. If the trans-Canada highway is to be built in Newfoundland—and I believe a considerable portion of the road has been built, and I also believe the money has been paid over by the federal government for the amount that has been built—if it has not been built according to standards, we should like to know about it, and we should like to know what the difference or variation from the standard is, and who made the agreement to relax the standards. I would ask the minister, when he has the opportunity to reply, to let us know a little bit more about it. Obviously he and the minister of public works of Newfoundland cannot both be right. If they are speaking about different matters, that is something else again.

I should like to continue on the subject of roads. It strikes me that the speed of motor cars is a pertinent question and should be discussed here. I hope I am not being offensive in regard to this matter; I shall try not to be anyway. As hon. members know, I was incapacitated for a time, and as a result of that I did pay much more attention to motor accidents as reported in the papers than I normally would. From reading the notices in the papers it appeared to me that by far the greatest cause of these accidents was speed. I noticed that the answer given to the hon. member for Lake Centre (Mr. Diefenbaker), which appears on page 512 of *Hansard*, shows that from January 1 to June 30 of this year 655 Canadians lost their lives as a result of highway fatalities. This figure does not include the number in Quebec. In Ontario 377 people were killed. I assume it is safe to say that about the same number were killed in Quebec. In other words, we can take it that the approximate number killed in that time would be nearly 1,000. That is a serious matter, and particularly in view of the finding of Professor Oscar Martin as set forth on page 21 of the Ottawa *Citizen* of December 2. It is headed: "Find Ontario roads risky over fifty miles an hour." The report says:

> Ontario motorists who drive more than fifty miles an hour take a dangerous chance on most provincial highways, a Queen's university highway expert said Monday. Professor Oscar Martin, who studied highways in several European countries including Russia, before coming here recently, said Ontario roads, except the four-lane highways, are engineered for top speeds of fifty miles an hour. The four-lane roads were safe at sixty to sixty-five miles an hour. If you drive beyond the engineered speed of the road you obviously are in danger."

He talks about driving 15,000 miles during the past summer over Ontario roads, and he says:

> A car travelling at sixty needs four times as long to stop as a car going thirty.

I would remark, quoting from memory in this case—you, Mr. Speaker, can probably check me on this—that a car going twenty miles an hour requires forty feet in which to stop. I think that is correct.

An hon. Member: On the level.

Mr. Higgins: Yes, with a dry surface. When you think of that you begin to see the danger inherent in the motor car of today. We all know that motor cars are being stepped up every year to a faster speed. The new models coming out next year will have a very much higher horsepower than the ones of last year. We ask ourselves the question: Why all this speed? Where are we trying to get? Why are we travelling so fast? If we save ten minutes, is it worth it, and do we enjoy going as fast as that? I must confess that I also drive pretty fast, or rather I used to drive pretty fast. I have not been driving very fast recently. I submit it is time that legislation was passed controlling the speed of motor cars to a safe limit. How we are to do that I do not pretend to suggest. Whether a governor should be put on the motor or not, I do not know. However, there would be nothing to ensure that it would not be removed. If we are to do anything about this we shall have to demand that motor cars be geared down to a speed which will not exceed sixty miles an hour at the very most.

An hon. Member: Hear, hear.

Mr. Higgins: Do you agree with that? Why anybody in this day and age wants to travel at seventy-five or eighty-five miles an hour, I do not know. If they wish to travel that

fast, why do they not buy an aeroplane or rent an aeroplane, because by the time you are going eighty-five or ninety miles an hour you are ready to take off anyway.

Mr. Prudham: Less Newfoundland rum might help.

Mr. Higgins: We do not care where we go then.

There is another matter to which I take exception. It is an item that appeared in the Peterborough *Examiner* not very long ago. I would not have minded, Mr. Speaker, if this item had appeared in the paper published by that blatherskite Bertie McCormick, but when it appeared in a reputable paper like the Peterborough *Examiner* then I must take note of it. I am sorry but I cannot find the clipping; however, it complained of the expense to Canada of keeping the province of Newfoundland. All I want to say to that, Mr. Speaker, is this: Whatever Newfoundland is getting from the federal government by way of family allowances, old age pensions, and the other social services, the federal government is taking away as much if not more than that amount from Newfoundland; and I do not want the Peterborough *Examiner* or any other paper in this dominion, or any hon. member of this house, to think that we in Newfoundland are not paying our way. I am not going to say any more on that because I have not much time left, and I have still a few matters to deal with.

Another newspaper, the *Globe and Mail,* a paper which I believe is not unfriendly to the party of which I have the honour to be a member, makes the comment that the first generation of Newfoundlanders to be educated will be those after confederation. Well, what a lot of trash and nonsense! I pass this along without meaning any disrespect to hon. members. Yesterday I spoke to a Newfoundland senator who was prominently connected with education before becoming a member of the Senate. I asked him what he thought of it. He said: "Canadians did not know how ignorant they were until they joined Newfoundland." I did not say that. That statement was given to me by an hon. senator, but I certainly do object very forcibly to any suggestion that we did not have education in Newfoundland before confederation. We may not have had degree-granting universities to the extent that you have up here, but many a person with B.A. after his name may be regarded as a B.A., but not a bachelor of arts. I am not saying any more on that subject.

Another matter that I should like to deal with is the question of statement of policy issued by the mayor, H. G. R. Mews, and the city council of St. John's on December 1, 1952, as it appeared in the *Daily News* of that date. It says this:

> When in Ottawa early this year I called on the Minister of Defence and presented him with a copy of the report.

He is describing the report on water services of the city of St. John's. It continued:

> I called his attention to the fact that the city of St. John's had to provide water services for the various defence bases and barracks in and near St. John's. The fact was also stressed that a second source of supply in time of emergency was essential, and that the federal government might properly assist in view of the heavy demand for water on the part of all defence forces. In the absence from Ottawa of the minister of civil defence I discussed the matter with his deputy. In neither instance could I report more than mild interest and great sympathy.

The Acting Speaker (Mr. Robinson): Order. I am sorry, but I must point out that the hon. member's time has expired.

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, my intervention in the debate will be brief. It is prompted by some of the remarks made by hon. members concerning the Department of Transport. I am hopeful that, if I am not able to deal with all the remarks about the department, hon. members will not think that because of that I do not consider the matters they raised to be important. I hope, too, that the hon. member who has just taken his seat will excuse me if I do not follow him in the remarks he has made.

There are four matters I wish to discuss at this time, and they are as follows:

First, they have to do with comments made by the senior member for Queens (Mr. McLure) last Friday evening. The hon. member seemed to be dissatisfied with a reply I made to a question he asked. I am sorry if he was dissatisfied, but there was no other answer I could give to the question as it was put. It happens very often—and I am sure the hon. member will not take this as a reproach on my part—that some of the questions he asks should be put on the order paper. It is my opinion that this was one of them.

However, I gave him the only reply that could be given at the time, namely that, on the subject of whether or not the maritime commission had considered an application made by Northumberland Ferries Limited, my only reply to that question was no. Perhaps I might add a word now. The hon. member was complaining, too, about the treatment received by Prince Edward Island at the hands of a Liberal government. Well, I disagree most heartily with him on that state-

ment, because I do not think it is factual. On the contrary I suggest that, since it has been in office, this government has considered all legitimate claims of the Islanders, and has dealt with them accordingly and granted many of them.

The hon. member said in his speech that—

—when a Conservative government takes office we will look to it for the proper fulfilment of the terms of confederation of 1873.

Well, with respect, may I remind him that Conservative administrations have been in office three, if not four, times since 1873. Surely my hon. friend, and others who have represented his constituency, have had the opportunity of bringing to the attention of those administrations the agreement of 1873. Yet, little or nothing was done by Conservative regimes in that time. I think therefore that the hon. member's point is badly taken.

Then, he seems to be under the impression that he is the only one interested in the welfare of the Islanders. I can tell him that that is not so. There are many of us on this side of the house, including myself, who have given the affairs of Prince Edward Island very careful consideration. I should like to tell my hon. friend—perhaps he is not aware of this—that I saw a delegation representing Northumberland Ferries Limited in my office early last week. That delegation was brought to me by the parliamentary assistant to the Minister of Fisheries, and he was accompanied by the hon. member for Kings (Mr. Kickham), as well as by two hon. members from the other place, and a minister from the provincial government. They came to see me about the very matter with which I am concerned at the moment, namely the application by Northumberland Ferries Limited for a new vessel.

I listened to their representations, and suggested a course of action, which they followed, namely that they make their application to the maritime commission, the body charged with the responsibility of recommending whether or not an increase in subsidy should be granted.

The hon. member has referred to the commission as a buffer commission. Well, let me say to him that that buffer commission has been very generous, or at least very fair, to Northumberland Ferries Limited. The company began its operations in 1941, at which time it received a subsidy of $34,000. That subsidy was increased from $34,000 to $158,000, thanks to the consideration given to the problem by the maritime commission. While it is true that the commission did not consider the inauguration of the service, it must be kept in mind that the service began in 1941, and that when the subsidy of $34,000 was paid there was only one ship in operation. Today there are two, and that has meant an increase in the subsidy.

All in all, since the service has been in existence—that is, between 1941 and 1952—a subsidy somewhat in excess of $1,030,000 has been paid to Northumberland Ferries Limited —and much of it on the recommendation of the Canadian maritime commission, which my hon. friend calls a buffer commission.

The hon. member seemed to feel that very little attention was paid to the just and rightful claims of the Islanders. Well, I can assure my hon. friend that I do not cast aside any of their claims; I give them the best possible consideration of which I am capable, as indeed the commission is doing with the present application.

The application was made to the maritime commission. In effect, it seeks a new ship. In other words, Northumberland Ferries Limited seeks the approval of the commission for the construction of a new ship. That is a pretty serious matter, and for that reason the commission must study it carefully. It has asked the company for additional information, and that information is not yet forthcoming. When it is received the commission will deal with it carefully and will report to me, at which time I will be in a position to tell my hon. friend, and all other hon. members, what the recommendation of the commission is.

Then, if I may pass from that matter to a second one, I would turn to a complaint made by the new member for Gloucester (Mr. Robichaud) in which he expressed criticism concerning the construction of the ferry vessel between Yarmouth and Bar Harbor. This criticism came somewhat as a surprise to me, because when the announcement was made by the government that there would be a new ferry in that part of the country it was well received by the house. My recollection is that all hon. members, even those from New Brunswick, were clearly of the opinion that it was a good thing to add a new ship to this very vital service between a state in the United States and the province of Nova Scotia.

This is why I should like to take a moment to review the position, in so far as the decision concerning this ferry is concerned.

The house will recall that in 1949 Eastern Steamship Lines, a United States firm which was operating a passenger service between Boston and Yarmouth, served notice of its intention to discontinue that service entirely. The first step which the government took

was to seek out some other contractor who might be willing to give consideration to carrying on the service. The government got in touch with a number of operators, but only one offer was received. That offer could not be accepted for two reasons. First, it called for the payment of a subsidy of $300,000 per annum for ten years and over and above that a guaranteeing of a $500,000 bond issue on behalf of the applicant. The second reason why we could not accept the application was that the applicant proposed to purchase and operate the S.S. *Yarmouth*, the ship then being used by Eastern Steamship Lines on the service. Our investigations indicated that that ship, which was 21 years old, was definitely unsuitable for the modern type of traffic.

This inability to find a contractor who would operate the service led us to establish a committee composed of representatives of the province of Nova Scotia, of the Department of Transport and of the Canadian National Railways. The committee made an exhaustive study of the economic and operative features associated with a service between Yarmouth and Boston and after giving the whole matter careful consideration came to these conclusions. First, there should be constructed a vessel suitable for a daily round trip service and designed especially to transport a large number of refrigerated trucks and tourist automobiles. Second, Bar Harbor should be selected as the New England terminus because that point was sufficiently close to permit a daily round trip.

The hon. member made two criticisms. First, he suggested that the new vessel should operate on a triangular run and take in Saint John, New Brunswick. I should like to point out that a vessel operating on such a run would require accommodation for overnight traffic. The vessel we are building for the Bar Harbor-Yarmouth service is to provide a daily round trip service. If we were to include Saint John we certainly could not operate on the basis on which we are operating now. It would not be profitable to operate on that basis and we simply could not do it. The report of the committee to which I referred a moment ago shows conclusively that we could not economically justify the construction of a vessel of that type, namely, one with cabin accommodation, dining room lounges and necessarily a larger crew.

The other suggestion was that the former Saint John-Boston service be resumed. If we could not find an operator to run the service between Yarmouth and Boston I am extremely doubtful whether we could find one who could operate profitably between Saint John and Boston. It is most doubtful that such a venture would be profitable under any circumstances in view of the increased cost of operation and present-day trend toward travel by motor car. I think that that suggestion answers itself.

Based upon studies which the committee to which I have referred made and based on a study which we made ourselves, it is our opinion that there will be no detrimental effect upon the tourist traffic to New Brunswick because of the operation of this new ferry between Yarmouth and Bar Harbor. On the contrary, it is our view and our anticipation that this service will encourage larger traffic inasmuch as United States tourists will find it possible to make a circular trip, either entering through New Brunswick and departing from Nova Scotia or vice versa.

May I pass to the third matter that I rose to discuss, the Vancouver airport. In making his statement, the hon. member for Vancouver-Quadra (Mr. Green) was critical of the government because it did not purchase the airport. He seemed to be under the impression that because there had been an offer of a little more than $1 million by the municipality and a counter proposal of a little less than $1 million by the government we should move in and either split the difference or take over the airport on a more generous basis. I can assure the hon. member immediately that there has been no offer on behalf of the government of $900,000.

Perhaps I could review the proposition as I recall it. Representatives of the municipality of Vancouver approached the government in connection with the purchase of the airport. Immediately on receiving that request we reached the conclusion which I think any reasonable person would under the circumstances, that is that an independent appraisal should be made of the airport buildings, facilities and real estate.

That independent appraisal was made and it indicated that the airport was valued at $1·5 million. We took exception to certain small payments as having been made by the federal government, and if those were deducted from the appraisal it was reduced to $1·25 million. After consideration of the matter an offer of from $400,000 to $500,000 was made to the committee acting on behalf of the municipality. That offer was based on the city's interest in buildings and equipment and on the assumption that the municipality should provide the land. That is the basis on which we proceed in the department, as my hon. friend knows, that the municipality should provide the land or the largest portion of the land.

Mr. Green: Was that the case with Dorval?

Mr. Chevrier: No, that was not the case at Dorval; but I have indicated to my hon. friend on several occasions that that is the policy of the government. There are only two exceptions to that policy. In the case of Dorval an exception was made because that was built during wartime when an emergency existed and it was necessary to move quickly. It was used for war purposes at the outset and for that reason we moved in and took over the land. Apart from that, you will find that there is only one other exception additional to Dorval. The general policy is that the municipality provide the land or the greater part.

Mr. Green: Which is the other exception?

Mr. Chevrier: Uplands. An offer of $400,000 was made and the city replied that it felt it should receive $1,287,000. Then during a discussion with the municipal officers, or those appointed by the municipality, in my office I suggested that I would not be averse to recommending to my colleagues an amount in the neighbourhood of $900,000, but it was clearly said to them that that was not an offer in any sense. The suggestion was made provided they were willing to accept it. But they still wanted $1,287,000. I did not blame them and I commend them for the decision to operate the airport.

We are happy with the manner in which the city of Vancouver is operating that airport. It is a great international airport and I think the city can operate it profitably. It has done an excellent job, it has done a thorough job, and I am hopeful it will carry on. As a matter of fact, we are entering into an agreement with them for the purpose of leasing the airport and its facilities to the municipality for a further term.

At one o'clock the house took recess.

The house resumed at 2.30 p.m.

NATIONAL DEFENCE

CURRIE REPORT—REPORTED CHANGES IN PRINTED COPIES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege. My question of privilege relates to a question I put to the Prime Minister (Mr. St. Laurent) this morning on the orders of the day. I feel that I am obligated, in the light of that question, to ask him to press the inquiry I directed to him on the basis of a further comment I should like to make. I asked whether there was any other printed copy of the Currie report.

I have since had an opportunity, which I had not had at the time I asked my question this morning, to compare some of the pages in the printed report which was tabled this morning with the same pages in another printed copy of the report which has been in our possession for a few days. I find, Mr. Speaker, having thus far been able to read thirty-eight pages—I have not been able to go through the whole report—that there are some seven pages on which changes appear to have been made. Some of those changes, I must say, are purely editorial, but there are at least three pages—page 7, page 13 and page 17—where the changes seem to be quite substantial.

On page 7 a paragraph has been left out and the page has been reprinted with triple spacing instead of double spacing. On page 13 the number of rules broken, referred to in that particular section, has been reduced from 34 to 33—one has been left out. On page 17 where the sentence formerly read:

> But, if this spirit permeated the lower echelons of the army, it is more difficult to condone the same attitudes at or near the top.

—the phrasing of the latter part of that sentence has been changed to read:

> . . . it is more difficult to condone the same attitudes higher up.

My point in raising this at the present time is to press the question I put this morning; and I hope that the Prime Minister will find out all there is to be found out about the two printings of the report—in particular that he will get a full explanation why these, and any other changes there may be, were made. Who made the changes? Did Mr. Currie make them? Did he make them on the orders of the chief of the general staff? Did he make them on the orders of someone else or on the suggestion of any of these people?

Mr. Speaker, I fully accept the statement the Prime Minister made this morning, and he has made it to me personally since, that he had no knowledge of any previous printing of this report other than the one tabled this morning. But in view of this evidence which I have communicated to the house, I feel that this matter should be gone into very thoroughly.

While I am on my feet I should like to say that if it had not been for the illness today of my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell), he would have raised this question. It was he who received this copy of the earlier printing and because of his illness he gave it to me, asking me to raise it in the house today.

Right Hon. L. S. St. Laurent (Prime Minister): I must confess that I am taken

entirely by surprise by the suggestion that there has been another printing of the report made available to anyone at all before the signed report was delivered to the Department of National Defence on the late afternoon or evening of December 8. I will certainly endeavour to have a full inquiry made, and that inquiry will also cover the aspect of there having been copies of a report to the minister distributed before it was sent to the minister.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, may I raise one other question which presents itself in view of this extremely surprising information which has been placed before the house by a very responsible member. We may not always agree with the views he expresses but I do not think that anyone at any time has challenged his sense of responsibility to this house. I do point out that a question does arise as to how this copy came to be delivered to the hon. member for Rosetown-Biggar.

Some hon. Members: Hear, hear.

Mr. Drew: This is the first I have heard of the existence of any other report. The fact that there are two copies and that there is a difference is in itself very important, but there is also the question of how this other distribution took place—a distribution of which I certainly was wholly unaware.

Mr. Mutch: I think you can count on it that it will be investigated.

Mr. Howe: The $64 question.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. J. L. Deslieres 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. Blackmore.

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, when I rose earlier I indicated to the house that there were four matters on which I wished to speak during the course of this debate. I have spoken on three of those now and I come to the fourth, namely the matter which the hon. member for Greenwood (Mr. Macdonnell) dealt with during the course of the latter part of last week.

Before I begin any remarks I have to make in this connection, I should like to extend to the hon. member for Greenwood my congratulations upon his having attained another milestone in life. This is his birthday anniversary and I wish him the very best for himself, personally; and for himself, politically, I hope that he will continue to sit in the cool shades of the opposition.

Mr. Fulton: Don't make it too hot for him.

Mr. Chevrier: I do hope that the hon. member will not be offended by anything I have to say in connection with his remarks. I do not intend anything I have to say in any offensive way, and I hesitate to be critical of him on this particular day.

Mr. Macdonnell (Greenwood): Help yourself.

Mr. Chevrier: But I must be critical of the speech which he made. To my mind it was one of his weaker efforts in the House of Commons. On many occasions he has risen in this house and has made substantial contributions during his addresses on the budgets; but this one, I am sorry to say, was not only a weak speech from the point of view of its logic and its legality, but it was also weak from the point of view of its politics.

The hon. member began his remarks by charging the government with a transfer of a manager from one hotel to another—from the Fort Garry hotel in Winnipeg to the Prince Edward hotel in Brandon. He charged the government with outrageous injustice in that transfer; with gross injustice on another occasion; and with political indignation and political interference. All of those charges were based not on facts but on surmise. All of those charges were based not on evidence that he had himself, not on knowledge that he possessed himself, but on knowledge which he obtained from other sources. In other words, the evidence which he obtained, or at least the information which he obtained, was obtained from a newspaper report. The newspaper in turn obtained it from its reporter who, in turn, got it from an employee or a group of employees of one of the hotels involved. This important charge, this serious charge of gross injustice and outrageous injustice, is based not on facts but on hearsay of the worst possible kind. If my hon. friend were defending an individual, a group, or a corporation charged in the manner in which he has charged the government, the department, or the railway, all he would have to do would be to move for non-suit and I am sure that the judge would not only accept his motion for non-suit but would refuse to accept this evidence, which is hearsay evidence of the worst kind.

Mr. Macdonnell (Greenwood): Would the minister permit a question?

Mr. Chevrier: Yes.

Mr. Macdonnell (Greenwood): I just want to ask one question. Does the minister challenge any of the facts related by the Winnipeg *Tribune* upon which I based my case?

Mr. Chevrier: I would ask my hon. friend to sit in quietness and listen to what I have to say. If he has any questions to ask after I am through, I shall do my best to reply to them. I think the charge was based on surmise of the worst possible kind; that is what I was saying.

The next point I wish to make is that my hon. friend's remarks were wholly contradictory. In the first place he begins by saying: We shall keep the Prime Minister out of this; he has absolutely nothing to do with it. But in the greater part of his speech, by inference, he proceeds to bring him in. I hope the hon. gentleman does not want to ask me to quote citations because there are at least five different references in his speech to the part played by the Prime Minister. I am sure that the hon. member did not intend them as such, and I am sure that he is satisfied in his own mind that the Prime Minister had absolutely nothing to do with this incident. But whether he is or whether he is not, the fact is that in his statement he proceeds to make assertions that do, in fact, implicate the Prime Minister.

Another point I wish to make is that while these statements are based on surmise and on newspaper reports on the one hand, on the other hand he quotes the president of the Canadian National Railways who denies them all. You have a newspaper report on the one hand and you have the statement of the man who knows or should know on the other hand, but the hon. member proceeds to say, "Oh no, I do not believe that; that cannot be true. I do not believe the statement of the president."

There was another point which my colleague the Minister of Trade and Commerce (Mr. Howe) made very forcibly the other evening. It is this, that the person involved is not an employee of the government. If he were, it may be that my friend would be in a stronger position than he is now. This person is not an employee of the government, he is an employee of the Canadian National Railways, a body set up by this parliament with a board of directors to deal with the affairs of the Canadian National Railways.

Then, the hon. member seemed to think there was something mysterious about the manner in which those questions he put to the department were answered. There is nothing mysterious about it at all. If he will only read the questions, he will find they are perfectly in order, and he will find also that they are answered in the same manner as all questions having to do with the Canadian National Railways are answered. The answer begins:

The Canadian National Railways advise as follows:

Then there is the answer to 1(a) and (b); 2(a), 3(a) and so forth. Any question that has to do with Canadian National Railways is answered in that manner. In answer to question 3 the Canadian National Railways advised that there was no complaint made to them or to the hotel management or to the railways on behalf of the Prime Minister or anyone associated with him. In so far as the Department of Transport is concerned, since the hon. member coupled the two groups in that question, the department answers no. It is for that reason there are two no answers to that part of the question, simply because my hon. friend lumped the two of them in his question. The answer is quite clear, and I do not think there is anything mysterious about the manner in which it was answered.

Dealing with question 1(d), whether there had been any complaint regarding his work there, the hon. member said that was an unworthy answer. Well, I do not think the answer is unworthy. The Canadian National Railways, through its management, makes that answer. I do not think the answer is any more unworthy than the speech which my hon. friend has made. I repeat that I do not think he intended to implicate the Prime Minister in the manner in which he did. But whether he did or whether he did not intend it, he certainly has done so in the record. My hon. friend has a clear denial from the president of Canadian National Railways to his third question which reads as follows:

Was any complaint, verbal or written, regarding any incident at the Fort Garry hotel during the Prime Minister's visit on September 10 last made to the railway or hotel management or to the Department of Transport, or to any representative of any of the foregoing by or on behalf of the Prime Minister or of any one of those who were accompanying him at Winnipeg on September 10 last?

The answer is:

The Canadian National Railways advise as follows: No.

In so far as the Department of Transport is concerned: No.

So that my friend has his answer there, and I ask him to accept that answer. Now, then, if he does not accept the answer let me make a suggestion to him, and it is this. There is a committee appointed by this house to deal with the affairs of the Canadian National Railways. He is a member of that committee or at least he was a member during the last session of parliament. He may appear before the committee and inquire himself from the

officers of the Canadian National Railways what the facts are surrounding this case, and that is really the place where he should get his information, not in this house. It is the policy of this house, established by this house and followed by governments of the faith to which my hon. friend belongs, for many many years, namely that in matters concerning the internal management of the Canadian National Railways, there should be no interference. If there is any question that comes up, it can be asked or dealt with in the committee on railways and shipping.

The hon. member says this is a case of political interference. Let me put this to him, that what he is doing at the moment is political interference in the affairs of the Canadian National Railways. While this matter may appear large to him, in fact, in the affairs of government, in the affairs of parliament, in the affairs of the Canadian National Railways, he will I am sure agree it is a small matter. I am surprised that my hon. friend should feel he had to make the lengthy speech which he made on Thursday of last week.

Mr. Macdonnell (Greenwood): I do not think justice is a small matter.

Mr. Chevrier: If the hon. member thinks that justice is not a small matter and he wants to obtain justice, let him bring the matter forward in the usual and appropriate manner, and that is before the committee on railways and shipping.

There are one or two points I should like to make before I resume my seat. First, the Canadian National Railways hotel system is under the management of a board of directors of the Canadian National Railways and should be, in my estimation and in my humble opinion, left to them. If that were not the case, then we would be inquiring in this house continually, and it would be my business to inquire into every transfer, demotion and promotion of a superintendent of the Canadian National Railways. There would be no end to that. Parliament has decided that is not the way it should be done, but it should be done by the management themselves.

The next point is that it is the long-established policy of the government not to interfere in the management function of the railway. I have tried not to interfere throughout the years, and I hope I shall continue to follow that policy. Then, the employee in question is an employee of the Canadian National Railways and is responsible, not to the Department of Transport or to the government, but to the management of that company. He is not a government employee; and, as I indicated earlier, his position is not in any way subject to political interference or control. In the case before us here, in the words of the question, there has been no such interference.

The answer made by the railways denies that any complaints were made to it by or on behalf of the Prime Minister or anyone of those accompanying him at Winnipeg on September 10 last. The same answer has been made with reference to the Department of Transport. The accusations made by the hon. member for Greenwood are founded on newspaper reports based on alleged statements of unnamed hotel employees and of other unnamed persons contacted by the newspaper in question.

I repeat what I said earlier, namely that this is hearsay of the worst possible character. The only political interference in this case is that of the hon. member for Greenwood who made the former manager of the Fort Garry hotel the subject of parliamentary debate to no useful purpose. The policy of the management of the Canadian National Railways is to operate its transportation system, including its hotels, efficiently and in the best interests of the country. To do this it must have a free hand to deal effectively with its employees.

Mr. Macdonnell (Greenwood): May I now repeat the question I asked before of the minister? Does the minister deny any of the facts as set out in the report of the *Tribune* on which I based my remarks?

Mr. Chevrier: Mr. Speaker, I say that the report in the *Tribune* is based on hearsay; and I am not prepared to accept hearsay evidence.

Mr. Drew: He does not deny it.

Mr. Macdonnell (Greenwood): I do not know just what the minister means by hearsay; but I point out that he has not attempted—

Some hon. Members: Order.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, ordinarily I would speak only once in this debate. However, I wish to bring to the attention of the house this afternoon a matter to which I think hon. members should give some consideration. I have on my desk a file of newspaper clippings that are startling in this day and age.

An hon. Member: Is that hearsay evidence?

Mr. Gillis: For example, this clipping from the *Citizen* is headed "Riots at Louiseville". This one has big black letters and reads "Quebec Police Fire, Dozen Strikers Hurt" and mentions the fact that tear gas was used. These are merely two examples, and I have a large file of them.

My reason for rising this afternoon is to focus attention on the particular subject of that strike at Louiseville and the attitude of the provincial government with regard to labour relations in that province. The Minister of Labour (Mr. Gregg), if he were in his place, or his parliamentary assistant might say: "Yes, but labour relations in the province of Quebec are a matter of provincial responsibility." That is quite true, but in this strike there are federal implications. In addition to the police entering and taking over that town, because of the reading of the Riot Act that town is placed in the hands of the police exclusively. While the provinces enforce the Criminal Code—and the Riot Act is read under the Criminal Code—nevertheless we here enact these laws and are responsible for the implications in connection with their enforcement in the provinces.

For the benefit of the parliamentary assistant to the minister I should like to stress the fact that once that Riot Act is read and that town is placed under the jurisdiction of the provincial police—as this town in Quebec is at this time—there are certain penalties which apply in a situation of that kind. For example, once the Riot Act is read and the town is taken over by the police, as a result of a small gathering or of any infraction of the law or of the curfew that is imposed under the Riot Act, a man can be placed in jail, with a maximum sentence of life for any violation of that particular law. As we make those laws, I say that we should give some consideration to them when these amendments to the Criminal Code are being brought about.

There are two parties to this dispute as there are to any dispute. On the one hand, you have approximately 1,000 textile workers at that plant which is that of Associated Textiles of Canada, Limited. These textile workers are citizens of Quebec and of Canada; they are taxpayers. In the great majority of cases the wages of workers in that industry, in that province particularly, are not too high.

This strike took place last March. The interval between then and now is a long time for a dispute like that to drag along. It is reminiscent of what happened a short time ago in the asbestos industry in the same province when the police used tear gas and batons. That asbestos strike at the Johns-Manville Company should have taught the government of Quebec, and maybe the union also, that the way to settle wage negotiations today is not on the street with batons and with the use of police. But apparently nothing was learned from the strike in the asbestos industry, and now we have this mess in Louiseville. As I stated a moment ago, on the one hand you have 1,000 workers in the textile industry—and they are Canadians with families—who are low paid and who have legitimate grievances. The union involved is the Catholic syndicates. Then on the other hand, you have the industry itself.

Let us have a look at it for a minute. I have here just a brief synopsis of it. It is the Associated Textiles of Canada, Limited. This is a wholly-owned subsidiary of United Merchants and Manufacturers, Incorporated, an American firm with head offices in Delaware, U.S.A. The parent company is a holding company owning a number of textile plants—mills, finishing plants, converters, factory facilities and merchandising outlets—in the U.S.A., Argentina, Canada and several other countries. No separate figures for the profits of the Canadian subsidiary, Associated Textiles of Canada, Limited, are available. Its net assets, as at June 30, 1951, however, were $4,610,688. Net profits of the consolidated companies, however—including Canadian and other subsidiaries—were as follows: Total net profit, 1950, $10,805,290; in 1951, $16,158,186; or an increase of 49 per cent over 1950. The source of this information is Moody's Industrials, 1952, so it is right up to date. As I pointed out a moment ago, you have that large group of workers and you have this huge corporation. The dispute is over wages. From the figures that I have set out here, it can be seen that in the years 1950 and 1951 the company was not in a bad position. They have substantial profits. They had an increase in their profits of 49 per cent in 1951 over 1950. The workers at that plant, in their wage demands, are not looking for a 49 per cent increase, although they would be justified if they were doing so.

In reference to the dispute itself, and in the matter of money, all of the arguments are on the side of the wage earners who are attempting to settle their grievance in the only way that befits this day and age, namely, around the conference table. The action taken in that province with respect to this dispute indicates very clearly that labour laws and conciliation in the province of Quebec must be at least thirty years outdated, because that kind of thing did happen in my own province thirty years ago. Both government and industry have discovered in that province that there is no solution in that kind of action, because nothing like that has happened in the last thirty years. Conciliation machinery prevents it.

In the last year the steel workers' union in my own province went through negotiations lasting for five months. They extended

their contract. They had conciliation board after conciliation board. Nevertheless they finished up with a good agreement, which indicates that patience and some understanding are necessary on both sides in order to work out the problems that confront the workers.

The time is past, Mr. Speaker, when the federal government should give consideration to the enacting of a basic labour relations act in order at least to fix the basic legislation so that the provinces could pass the necessary enabling legislation to prevent this kind of thing. No one can justify what is going on today in that strike in that textile plant in Quebec. I am suggesting that the labour department should at least conduct an investigation into what is taking place there, in the interest of peace, order and good government. I am sure the parliamentary assistant to the minister will agree with me that what is happening in Quebec today is certainly giving a lot of aid and comfort to the elements within the organized labour movement whose job it is to foment trouble. Mr. Duplessis and his policies are certainly doing a first-class job for them, and I think it is the responsibility of the federal Department of Labour to check up on the matter on the grounds of peace, order and good government.

In addition to that, during the consolidation of the Criminal Code that will take place within the next year, consideration should be given to some modification or changes in the section of the code that permits of police action, the reading of the Riot Act, curfew, and the taking over of a town, with the drastic penalties that are involved once that action is taken. Today that town is in this position. If a small group of men gather they can be arrested; they can be charged with violations under that section of the code, and the maximum penalty is life imprisonment. Judging by the lack of understanding that is shown in that particular field at the present time, it would not surprise me if some judge in Quebec would hand out that maximum sentence.

I rose in my place this afternoon because I think that the headlines we are getting in relation to that strike in Quebec indicate that some action on the part of the federal government is necessary to straighten out the matter, and that some over-all labour relations act should be enacted, which would lay down the basic legislation that would at least prevent this kind of thing taking place.

Mr. Raymond Bruneau (Prescott): Mr. Speaker, before participating in the present debate, I should like to congratulate the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne upon the manner in which they performed the very arduous task, and for the credit they brought upon themselves and the ridings they represent in the House of Commons.

(Translation):

I wish to tell the hon. member for Brome-Missisquoi that his eloquent speech and the invaluable information he has communicated to us on the electoral district he represents here have evoked the greatest admiration among all his colleagues.

(Text):

The hon. member for Waterloo North (Mr. Schneider) no less commends himself to our attention for the most interesting speech he has delivered, and I am sure that his constituents will never regret having elected him as their representative.

To the hon. members for Coast-Capilano (Mr. Sinclair) and Vancouver Centre (Mr. Campney), I wish to extend my most sincere congratulations upon their recent promotions to cabinet posts.

May I note also the visit of our Prime Minister (Mr. St. Laurent) and the Minister of Finance (Mr. Abbott) to the conference recently held in Great Britain. Their wonderful participation, their most helpful suggestions, and the way in which they dealt with difficult problems commend them to our very great admiration.

The brilliant exposé delivered in this house a few days ago by the Secretary of State for External Affairs (Mr. Pearson), and his election as president of the United Nations assembly; his capable way of dealing with most delicate questions; his outstanding attitude of gentleman at the council table have undoubtedly put him to the fore and wholly justified the esteem we all hold for him.

In a world already torn by false ideologies, already deprived of peace of mind and soul, where harmony, good will and understanding are lacking, where cold wars are in fashion, let us hope that the unceasing good will of representatives from democratic countries will find a solution to the war in Korea. The battle is still raging with as much intensity as before the cease-fire negotiations which are now in their second year, a fact which likely has no precedent in history; and yet it seems that it is still impossible to get a glimpse of peace or bonne entente on the horizon. Valiant men are called upon to make great sacrifices, and a good many of them have already given their lives so others may continue to live in order to uphold the principles of freedom in the world; purges are going on

behind the iron curtain and many democracies have been brutally silenced at the crack of the Russian knout.

Once again, those of our generation are facing the invader. True, he does not bear the same name but is always in search of domination, instilled by tendencies of imperialism, and most eager to impose his will on other nations who fall under his heel; to have them adopt his mode of living, his ideologies and his firm belief in materialism; communism bred in the twisted brain of an unbalanced professor, Karl Marx, applied by Lenin, and imposed on a good many countries of the world by ruthless methods, is accompanied by a repetition of violations of the frontiers of once free countries.

Yesterday we had to fight Prussian imperialism and more recently the nazism of a mad painter. The free countries of the world have always presented a united front, which enables them to erase these awful nightmares which have haunted the world. On the morrow of the awful ordeal these very same free nations met at San Francisco to prepare a charter for the United Nations. Canada was co-signatory to the clauses of this charter where it was stated that, should a signatory country be attacked by another power, these countries pledged their help, and offered to come to the rescue.

On June 25, 1950, the United Nations commission in South Korea informed Trygve Lie, then secretary general of the United Nations, that the North Korean troops had crossed the 38th parallel, and were invading from east to west. Canada, as co-signatory to the charter of the United Nations, had commitments and, like other countries of the world, we were involved in military activities in that corner of Asia.

Our contributions through manpower and defence purposes have entailed a severe drain on our national budget. A discussion of the budget in its various provisions and implications might well be regarded as a general survey of the national economy, and an examination of the state of the country. Speeches delivered so far by some opposition members reveal the definite pattern taking the form of a concerted attack on taxation. Some criticism has been notable for its lack of constructive suggestions, and a dispassionate onlooker would gather the impression that the main purpose of the criticism is to tear down the budgetary structure, rather than consolidate its foundations.

Parliament, composed as it is of representatives of all parties, both government and opposition members, is presumed to be the mirror of the nation. Keeping this thought in mind, one may well inquire at this stage, what substantial segment of the country do the criticisms voiced so far represent. Some suggestions have been made as to high taxation, or some taxation measures that should be discarded, and the fiscal policies that should be made effective to provide the necessary revenue for the management of the country's affairs.

Canada's taxation structure is, at best, a delicate fabric. It must be designed to establish the proper balance between the national economy and the economy of the ten provinces constituting the dominion. No government, federal or provincial, relishes the task of increasing the burden of taxation; but there are times when a state of national or near-national emergency leaves no other course open to the government.

National necessity imposes sometimes on the government unprecedented duties such as the levying of taxes to provide revenues for the purchase of death-dealing armaments and the waging of war against the forces whose sole aim is the destruction of our civilization and all that it implies in the realm of human rights and fundamental liberties. The action which the government has taken on behalf of the people of Canada is actuated by but one desire, the determination to prevent occurrences such as the rape of Korea and the further enslavement of the free peoples of the world.

A nation is no stronger than the sum total of its individual strength. In this time of crisis, the people living in the 262 ridings that make up the dominion must integrate their efforts so as to give the fullest support to the government in the pursuit of its main policy, that of strengthening the country from within and helping friendly and still free nations to meet the threat of the common enemy.

True, anybody in this house would welcome a considerable reduction in taxation, but nobody would want to do so at the price of a democratic form of government.

A man of outstanding sagacity has set forth the axiom of the art of governing with a precision that has never erred. Junius, the great legislator, said, "Eternal vigilance is the price of liberty"; and, with Sir Wilfrid Laurier, I will add: "The cabinet form of government lends itself marvellously to this necessary vigilance: on one side of the house, those who govern and, on the other, those who watch." However, I am sure that our legislators, bearing in mind that their first care is the security of our land, the welfare of our fighting men, and the well-being of the nation at large, will, when possible, alleviate the burden of taxation. Millions of

dollars have gone into social security measures such as family allowances, unemployment insurance, old age security, veterans allowances, invalidity allowances in some provinces; and let us hope that before too long we shall be in a position to implement a program of health insurance assistance for our Canadian people. Such a plan, drawn in close co-operation with the provinces, would surely be a wonderful achievement on the part of this government.

Our defence program alone has drained our national budget of considerable sums of money. Nobody here will advocate drastic tax reductions at the sacrifice of defence preparedness. My constituency is in the happy position to make a not inconsequential contribution to this national effort. During the second world war, my riding, where topography of the land is admirably suited for aviation purposes, had the benefit of two airfields—one at Pendleton, and the other at St. Eugene. These two airfields, which played an important part in the expansion and full development of the eminently successful commonwealth air training plan, have been virtually unused since 1945 or 1946. A moderate outlay would be sufficient to ensure their rehabilitation and utilization. Hawkesbury has a flying club which has been in existence for several years now. The unflagging enthusiasm of its members has ensured its successful operation in spite of many handicaps, among others, the lack of finances. The preliminary training of fliers, under the direction of flying clubs like the one operated in the outskirts of Hawkesbury, is directly associated with the broad pattern of national defence. The theoretical and practical knowledge of flying acquired by these groups constitutes an important preliminary step in any national air training plan. Bearing in mind the overall cost of training each flier, the national budget is relieved of a portion of the financial burden which the complete air training course entails.

I should like to stress another factor that ties in closely with the national defence program. I have in mind the decentralization of industry. Economic and strategic reasons make such a decentralization increasingly imperative. Decentralization relieves transport congestion in heavily populated areas and facilitates the quick movement of traffic, in times both of peace and of war. New methods of warfare centred around the use of the atomic bomb and its more lethal companion, the hydrogen bomb, are undoubtedly the most compelling reasons for the decentralization of industry. Prescott county, situated as it is midway between Ottawa and Montreal, can ideally meet the needs of decentralization. There is ample power for the operation of almost any type of industry, and the county is well endowed with rail and highway transportation facilities. The full development of Canada's agricultural possibilities is another paramount consideration. This constituency is most fortunate in that there is a fairly happy balance between its agriculture and its industry. We are all well aware of the outstanding part that Canada's agriculture played in the successful prosecution of two world wars.

On the basis of its farming population Prescott county ranks as the largest cheese-producing area in the British commonwealth with a yearly output of over 5,872,198 pounds of cheese from the 43 cheese factories in operation, which represents a value of no less than $2,024,521. My constituency relies upon the manufacture of this commodity for an income which is a very important factor in its economy and to that end I strongly urge the Minister of Agriculture (Mr. Gardiner) to do his utmost to see that the support price is maintained at a level of not less than 30 cents to 32 cents for cheddar cheese. I hope that this spring we will not see a recurrence of a drop in the price of cheese with which the farming element in my constituency had to cope last spring. In the same way our agricultural class is at present also concerned over the prices of beef and pork.

Some amendments to the National Housing Act are to come before this house. Canadians throughout the country are in dire need of living accommodation at low cost as those with small incomes are unable to pay high rents for inadequate quarters. With our present world in turmoil and unrest one of the greatest stabilizing factors we could have would be homes owned by Canadian citizens and not have our people living in rented abodes where they are nothing but tourists under a two-year lease, where they live in tenements from which they can be evicted on the expiration of their contract.

We have just gone through a second world war after which many young couples have attempted to settle under circumstances of prosperity. Many of our young men are fortunate enough to be drawing large salaries and have decided to purchase homes, but after a while they may find this investment to be beyond their means. The strength of a nation depends a good deal upon the security of its inhabitants. Home owners are a great asset to any government because they enjoy a form of security for the preservation of

which they are willing to undergo great sacrifice. Furthermore, a national housing policy would be beneficial, not only to individuals but to the nation at large, because it would be one of the best weapons with which to combat communism.

We all want to see new homes sprouting throughout Canada and I hope methods will be devised by which prospective owners will find themselves in a position where they can build new homes. But we shall have to make sure that the initial payment, which becomes a condition of ownership, is not too high for the average income earner.

Canada is going ahead with the development of the St. Lawrence seaway. This project will considerably improve water communication between the head waters of the great lakes and the ocean, thus giving a tremendous impetus to shipping and improving industry and agriculture in both eastern and western Canada. Moreover, I believe it will prove in the not distant future to be of immense advantage from a military and strategic point of view.

I have the honour to represent in this house people of different nationalities and religious denominations who live together in harmony and bonne entente. There is never any friction or conflict between the different segments of our population. On the contrary, there exist the most cordial and sympathetic relations. We understand each other and in our courteous relations with each other we never stop to consider that one is Irish, Scotch, English or French. We think of ourselves only as Canadians having the same interests, the same aspirations and the same love for our country.

How much closer these ties and bonds of harmony and unity would be if we all lived under the same symbol, a truly Canadian flag to which we could look, a flag behind which we could all rally, could revere and love, a flag for which we could fight and die. Our country now ranks among the great nations of the world and I believe sincerely that we legislators owe it to our people to give them a true symbol of Canadianism. It is true that our boys are fighting and dying in Korea but they are doing so under the flag of the United Nations for the sake of humanity. This is idealistic enough, but would they not feel that they were fighting for a cause much dearer to them if they could only see their own Canadian flag streaming beside that of the United Nations. I hope sincerely that before not too long a measure will be brought into the house to give our people a Canadian flag which they can consider their own and love as their own.

As I have mentioned previously, Canada is now considered among the great nations of the world and I think it would be most beneficial if we had our representatives in the city of the seven hills, where most countries today have their ambassadors who are able to exchange views and bring back to their own governments information necessary in the management of their own affairs in regard to international relations.

With the presentation of the report of the royal commission on national development in the arts, letters and sciences, we should now strive toward giving our young people a real opportunity to prove their ability and put their talents to good use. At the present time many of these people find it impossible to do this because of a lack of money. I suggest that there should be some form of youth department which certainly would not overlap provincial departments but which would rather constitute a vocational guidance school for our young people and which would, on a national scale, guide them in the liberal arts and sciences, in different fields of knowledge and agriculture and enable us to develop right here at home better trained citizens and not have to import skilled or specialized labour from abroad. This division, administered by a federal commission, would enable young men to attend schools, universities, industrial or experimental stations of their own choosing located in their own regions, where they could take their training in the language most familiar to them and in an environment most suitable to the development of their own talents.

In conclusion, sir, I will say that it is quite comforting for us legislators in this House of Commons to be able to stand up and debate, as free men, upon a legislative program prepared with a view to achieving security, prosperity and well-being for the people by whom we were entrusted with a mandate and, in this way, co-operate also towards bringing freedom and liberty of expression to other people living in countries where democracy no longer exists.

Mr. G. C. Nowlan (Annapolis-Kings): Mr. Speaker, coming into the debate after the weeks which have elapsed, it is perhaps more or less formal to commend the mover and seconder for the work which they did on that occasion. But any one of us who has had the responsibility or privilege of moving or seconding an address, in this chamber or in other chambers, realizes the responsibility and difficult nature of the task which confronts a new member on such an occasion. We certainly can congratulate both those gentlemen on the excellence of their efforts.

I do not, of course, propose to follow the remarks of the hon. member for Prescott

(Mr. Bruneau) who has immediately preceded me, but there is one subject on which he touched indirectly that I will refer to in a few moments.

Before going on, I should like to congratulate, as have so many members, the two new ministers who have been sitting on the government benches since we last met. Whatever we may think of the political policies which they enunciate, we appreciate their personal qualities. We recognize the tribute which has been paid to them by their appointment and we wish them success personally, sir. We know that, with those peculiar qualities they possess, should they survive the next election they will undoubtedly adorn the benches of the opposition and develop still further there.

Some hon. Members: Hear, hear.

Mr. Nowlan: This is perhaps a unique occasion today as there is recorded in *Hansard* the proclamation read by the Prime Minister (Mr. St. Laurent) this morning—an historic document in which we find the new title of Her Majesty set forth as a preliminary to the coronation. I am sure his speech this day, and the records attached thereto, will be of historic significance for years to come—marking the evolution which takes place in this house and in this commonwealth as time goes on. It has been said by many others but I say, simply in passing, that we are all happy and all thrilled at the prospect of the coronation which will shortly take place. Those of us who are privileged to sit in this house are pleased that we should be here in the year immediately preceding the coronation.

The other night the junior member for Halifax (Mr. Balcom) gave a speech here which I thought was of some special significance. It was of particular significance to me, sir, because some of the matters on which I intended to speak at some length are adequately covered there; so I will speak but briefly on one or two of the points he mentioned.

One matter with which he dealt was the problem confronting the universities in Canada and university grants—particularly universities in Nova Scotia. Without repeating matters which he gave in some detail, I simply say that on page 635 of *Hansard* one finds recorded the average amounts of money paid to the various universities in the various provinces of Canada. One finds that the universities of Nova Scotia are at the bottom of the list receiving only $92.45 per student, while the figure ranges up to $483.16. Perhaps the latter is an unusual figure because it applies to the province of Newfoundland where there are not so many universities, but there is a wide discrepancy in the amounts paid to the various universities within the various provinces. Nor is that all, sir; there is a marked discrepancy in the amounts paid to the different universities within the same province. I think the member for Halifax was right in urging that some special attention should be paid to the problem—not on a per capita basis of 50 cents per head for each province but on the basis of availability of students within each province.

In Nova Scotia we find a peculiar problem because of the fact that we have located in Halifax Dalhousie university with the professional schools—the medical school serving the maritimes and beyond, the pharmacy school, the school of dentistry and, sir, I am sure I will not be accused of undue modesty if I mention the school of law which is undoubtedly a very eminent school of law. Therefore, we have students from Ontario, the western provinces and the other provinces of Canada attending that law school. That influx of students coming to the professional schools at Dalhousie draws upon the per capita grant which is made to the province and, as a result, other universities serving that province draw far less. Those schools serving the humanities, undergraduate work, arts and sciences, receive as little as $50 per student. Those universities are serving a very useful purpose and, without boasting again, one might suggest that they are making a real contribution to Canada. One thing in which we have an advantage is that today instead of our graduates going to the United States to earn their living they are coming up here to Ontario, to Quebec, to Alberta and British Columbia, to develop the natural resources of those provinces. One only has to mention Borden of Brazilian Traction or Godsoe of British American, or Perry of Consolidated Mining and Smelting, to realize something of the contributions which those small universities are making to the development of the wealth of other provinces in Canada.

Without labouring the matter at length, sir, I can say that this is a matter which has caused the Minister of Finance (Mr. Abbott) some concern. It is a matter which I have discussed with him and I do not think he is entirely satisfied with the arrangement that has been made. I do say, sir, that it is not a proper one; it is not a right one; and something should be done about it. The professors labouring in those colleges, teaching there, are performing a real national service but, because of economic circumstances, they are living on salaries which are not commensurate in any shape or form with those

paid in other parts of Canada or with the service which they are rendering. I do urge upon this government that steps be taken to reconsider this matter of university grants, and even a maritime unit might be feasible. After all, Dalhousie serves all of the maritime provinces and that way one would get more equitable distribution than one gets today when you have these watertight divisions or compartments between provinces.

One does not suggest that this government is responsible for education in Canada; but this government has accepted a responsibility towards the universities as recommended in the Massey report. This government did a remarkable job in assisting the universities.

Mr. McIlraith: I wonder if the hon. member would permit a question? I am interested in what he is saying about grants to universities. Do I understand him to suggest that the basis of the grant to Dalhousie should be changed so that there would be a grouping of the maritime provinces and then a division of the grant?

Mr. Nowlan: As I understand it, the basis of the grant is 50 cents per head of population in the province. Nova Scotia, with a population of 750,000 or 800,000, draws 50 cents per head of population. As the professional schools are serving a wider area, with students coming from New Brunswick, Prince Edward Island and the other provinces of Canada, they are actually chargeable against the amount we receive in Nova Scotia on a per capita basis.

Mr. McIlraith: What was the suggested remedy? Was it to take the population for the whole of the maritimes?

Mr. Nowlan: I said that would be an improvement. The same situation is true for Acadia, St. Francis Xavier and Mount Allison. They are serving the maritimes although perhaps not to the same extent as the professional schools. I do think it would be a help if the basis of the maritime unit were enlarged. I think we should go further and consider some direct assistance per student, on the same basis as was done during the war when this government did a remarkable job in connection with the rehabilitation of returned men. The government paid so much to each university for each student in attendance. I am not trying to give a concrete solution of the problem, Mr. Speaker. I quite appreciate the question my hon. friend put, but I do say that it is a problem with which we are confronted and a problem which must be solved if the eastern universities are going to function properly.

Another matter to which the hon. member for Halifax referred, and about which I intended to speak at some length, is the matter of the use of the ports in the maritime provinces, particularly Halifax. I shall not say much about it now. The other day I noticed in the newspaper that the Minister of Resources and Development (Mr. Winters), the minister from Nova Scotia, spoke in Halifax—I have forgotten whether it was before a board of trade or some other organization—and dealt with the problem to some extent. On Friday night the member for Halifax put on the record some most alarming figures, showing that there had been a substantial decrease in the export of Canadian products through eastern Canadian ports, and a tremendous increase in the export of those products from United States ports. I shall not bother to put those figures on *Hansard* again, and I shall not weary the house by repeating them. Hon. members will find those figures in that speech, and they do indicate a trend. Unfortunately, a change has taken place during the last three years.

When the minister was speaking the other night, I believe he asked what one could do about it. I would suggest that there are two things which should be done. In the first place, we have in Canada these industrial fairs and exhibitions of various kinds which have been held in Toronto. We know that merchants, manufacturers and businessmen, not only from this country but all the countries of the world, come to these industrial exhibitions. I am informed by those who are close to the situation—I have not personal knowledge of these matters—that at all of these industrial fairs one finds public relations officers from the port authority of New York, the port of Boston, of Baltimore and all the eastern United States cities. Apparently these men occupy mammoth suites and have unlimited expense accounts. I am not suggesting for a moment that the mere fact the gentlemen are there with large suites and expense accounts necessarily influences the business to any extent; nevertheless the fact remains that these ports apparently find it a good investment to do that. I wonder how many public relations officers, how many representatives of our ports, are present at industrial fairs or exhibitions of that kind. I am told that there are none, although of course there are official representatives of the Department of Transport and of the port authorities.

However, there needs to be a more aggressive selling campaign put on, and to some extent much could be accomplished by seeing that our ports were properly represented at all fairs and meetings of businessmen. In a return tabled the other day I noticed that our army in western Europe, which I understand is substantially a brigade, has four

public relations officers attached to it. If we have four public relations officers for that, then I suggest we should have at least one public relations officer doing a task for Canadian ports, and particularly the eastern Canadian ports.

Again, the member for Halifax said that there were many industries which were benefiting by national policy. He singled out the automobile industry and said that since they were benefiting from national policy it should be the duty of the government—at least this is the implication but it is not exactly what he said although I believe it is a fair inference from what he said—to see that those who benefit from national policy carry out their responsibilities toward the nation. Accordingly, the automobile industry should use Canadian ports for the shipment of products which they manufacture pursuant to that policy. I believe there is an argument in that connection.

In any event, sir, today business and government are so closely associated through matters of taxation, priorities, allocations and in dozens of other ways directly and indirectly, that it would be an easy thing for the government to at least urge, to advise and to encourage the export of Canadian goods through these Canadian ports. It is certainly a necessary thing, because they are a national need. They perform a national function in time of war. This nation cannot exist without them. There seems to be something radically wrong when we hear the boasting about the increase of our gross national product, and yet we find that the share of it which is going through these Canadian ports is getting less and less instead of more and more.

I recall once attending a film sponsored by the minister of finance. I am sure he regretted it because he came from Nova Scotia. I happened to be in the theatre one night when a new bond sale was being inaugurated under his auspices. Some firm had been retained to prepare the film and they showed Canada as stretching from the Pacific to the St. Lawrence, where it stopped. I am sure it was rather embarrassing to the minister. The other night I saw another powerful film prepared for "The March of Time". I saw a preview of it, and it was encouraging to Canadians. The only reference to Canadian ports and the only scene of them showed a group of immigrants going through the sheds at Halifax. It was stated that they were on their way to the possibilities which awaited them in Canada. This attitude is not too well appreciated in the east. I think the time is coming when something should be done about it.

[Mr. Nowlan.]

Speaking about transportation, Mr. Speaker, I simply want to deal with a local matter. I want to say again what I have said in this house on other occasions, and that is that one of the transportation problems in the east which I think needs attention is the bringing into Nova Scotia of the Canadian Pacific Railway from Saint John to Digby and then up the valley to Halifax. In days gone by the principle underlying national policy dictated that our access to central Canadian markets should be by a long, tortuous route going up around the baie de Chaleur, up the Matapedia valley, and finally down the St. Lawrence. At that time policy dictated that we should be kept as far as possible away from the United States border, because it was assumed that at some time the United States would invade the provinces of Upper Canada and the Nova Scotians would have to come up here to protect them.

Now, policy dictates that we should be closely associated with the United States. We have markets there and we need accessibility to those markets. We, however, have to follow this long, tortuous route or else we have to ship l.c.l. across the bay of Fundy and then reload afterwards. Some construction work seems necessary both at Saint John and at Digby, and I hope that at some time in the not too distant future this matter can be rectified.

I am reminded of what the hon. member for Prescott (Mr. Bruneau) said a few moments ago about a national flag. I am not going to venture to discuss that matter at the moment. However, since the Minister of Public Works (Mr. Fournier) is here, and since I believe this house and this building comes under the jurisdiction of his department, I want to refer to a matter which I think is of great importance. About the middle of last July, sir, I happened to come back to Ottawa. I came up to these parliament buildings here, the centre and capital of Canada. I found the place swarming, to use a slang expression, with tourists, both from the United States and Canada; there were thousands of them. I found that we had R.C.M.P. constables, wearing their red coats, patrolling up and down in front of this building. I even found an R.C.M.P. constable wearing a red coat and mounted on horseback patrolling in front of the building in order to give us a little national flavour. Then I found this graceful tower out here adorned with a flagpole reaching up to the heavens like a gnarled finger, without anything on it.

I think it is a disgrace to this country that in this capital of Canada, when tourists

come here—whether they are Americans, Canadians or whoever they are—to these parliament buildings the only flag they find visible from the parliament building is the flag of Norway flying over the Norwegian consulate down here on Sparks street. I realize the difficulty with respect to a national flag. I appreciate the fact that it should be settled and determined. I know there are difficulties which may delay that outcome. But, Mr. Speaker, what I say is this. A flag which is good enough to fly over this building now to advise the people of Ottawa—or alarm them—that their members happen to be sitting here, which flies here every day we sit, which flies at half-mast when any member of this house or of the other place dies, and which flies over our embassies abroad, is a flag that is good enough to be flying over this building every day of the year. In order to develop a national sentiment it would be much better to have a national flag upon which everyone can agree. But I suggest to the hon. member for Prescott (Mr. Bruneau) or to any other hon. member that certainly anything is better than this barren flagpole which sticks up here like a sore thumb every day during the time the house is not in session.

A moment ago I mentioned the Minister of Fisheries (Mr. Sinclair), but I notice that he has left the chamber. There were some things I wanted to say about his department. I am not going to speak at any great length now because, from the order paper and from references in the press to what is going on in another place, I learn that before too long we shall have legislation here dealing with the fisheries problems of Canada, and perhaps particularly those of the eastern seaboard. I think it is desirable, Mr. Speaker, that the new minister give special attention to those problems. His predecessor worked hard and undoubtedly made a contribution to the department which he administered. The new minister, with imagination and with drive, can perhaps accomplish even more.

One of those problems with which we shall be confronted before this house rises is, I believe, that concerning coastal waters. I believe that matter is now being debated elsewhere. I have heard there is an interdepartmental committee already appointed and dealing with that matter at the moment. I hope that committee deals with it seriously. I hope that the chairman stays here in Ottawa and gives some time to looking after it. I think Canada should take the lead in dealing with this matter of coastal waters. The whole conception of it is changing, as we know. European countries have altered their concept with respect to it. With its thousands and tens of thousands of miles of coast line, headlands, harbours and bays, I think Canada more than almost any other country in the world should be paying special attention to that problem; and when the time comes we shall discuss that matter at length. I want to impress upon the minister now, or when he reads *Hansard*, at any rate, that so far as the bay of Fundy is concerned there is a real problem which is interesting historically and which is open to solution today. If he goes back in history I think he will find that in the Rush-Bagot conversations of many years ago, or in the convention, the British who were then in charge of Canadian negotiations emphasized the fact that the bay of Fundy was a coastal water. The Americans said it was not a coastal water but that it was part of the high seas. No agreement was reached; they agreed to disagree, and the matter was left open. Now that this whole matter is to be reviewed, I think something concrete should be done in the near future.

Referring to the Minister of Fisheries, I should like to digress for a moment or two. I was intrigued by a statement he made here on Friday afternoon. The minister is always a most ebullient speaker, one who likes to rush in and charge at windmills and make political speeches which are sometimes scintillating and witty but perhaps not entirely authentic. I think he gave a brilliant example of that on Friday afternoon because, in referring to the hon. member for Kamloops (Mr. Fulton), my deskmate, or in replying to him, as reported at page 616 of *Hansard*, you will find that he was deploring the Tory trade principles of the Bennett depression days and said: "Look what we, the Liberals, have done with our magnificent trade policies as compared with those repressive, unfortunate and stupid Tory policies of Bennett."

An hon. Member: Hear, hear.

Mr. Nowlan: My hon. friend says "hear, hear". Let him wait until I finish and see whether he says "hear, hear" then. He took the figures, as they are set out here; you will find them at page 616 of *Hansard*. He said that under the beneficent and brilliant leadership given by this government, the trade of Canada which under the policies of Tory Bennett was only $1·9 billion had now reached $8 billion, a little bit more than a 400 per cent increase. I was rather intrigued with these figures. I was impressed because it was one of the first things I had seen which had impressed me with the policy of this government, and I thought perhaps one should check on the figures a little bit. So I obtained the figures for the United States,

and wondered what a dismal failure they had made and how they would compare with the scintillating leadership which had been given to Canada by this Liberal government. I found that in the same period trade had gone from $3·7 billion to $25·99 billion or in other words had increased seven times as compared with the increase in Canada. Whether that is a coincidence I do not know. I say I am not entirely impressed with the logic of the minister's argument; nevertheless that was his argument. If it was logical and sound, then I think this comparison should be put into effect, and one might deplore the fact that we did not have the Democrats or the Tories of Bennett or somebody else rather than these Liberals whose policies did not give us so much. I would also point out to the minister what happened to the government which increased the trade of its country by seven times while his government was increasing trade in this country by only four times. Three or four weeks ago the people, having become tired of it, kicked it out. That was not an entirely happy illustration for the minister to use.

Then he also rang the changes on the Tory gloomsters. I do not think I am divulging any secret when I say that the Tories are not the gloomy ones, but that there are others around here who are much gloomier than they are. If he wants to know who the gloomsters are in Canada, I can tell him who they are, or at least some of them; I could not take time to tell of them all because my time would run out. They are the fruit growers of British Columbia and of Nova Scotia, the fishermen and the lumbermen who have lost the British markets. They are some of the gloomsters. Then there are the cheese manufacturers who are prohibited from selling their cheese in the United States; and the tobacco growers who find that because of the crazy taxation policies of this government their industry is threatened with extinction. Then there is agriculture in general, because according to figures shown the other day in the columns of Chester Bloom, which were taken from the bureau of statistics, the various costs of agricultural production have increased at an alarming rate whereas the prices received by agriculture have decreased in a corresponding way.

One could go on and enumerate others in this country who are gloomsters. I would suggest that they have some cause for gloom. I do not think they are going to be particularly encouraged by the rather derisive laughter with which the Minister of Fisheries dealt with them. I would also remind the Minister of Fisheries that there was a gentleman by the name of Stevenson who in embarking upon a campaign not long ago said he was not going to run his election campaign against Herbert Hoover; but before he got through he found he was running against Herbert Hoover. We know what happened. I suggest that when my hon. friends opposite start campaigning against R. B. Bennett in the days of the depression, and when they try to resurrect other speeches which men made in the past, then the political poverty of that party is certainly greater than we realize and its desperation is even greater than we had anticipated.

I must say, Mr. Speaker, that this making of speeches seems to be a disease of the junior ministers from British Columbia. We have noticed in the press reports of speeches by ministers from that province. I am not sure what is the exact status of one of the ministers from British Columbia. He is something like Lucifer, suspended halfway between heaven and hell. Although he is still Solicitor General, he is taking over the Department of National Defence, or part of it, when the necessary legislation goes through. One of the functions of the Solicitor General is to recommend clemency and exercise mercy. That may be one of the reasons that incumbent is being brought into the Department of National Defence. I do want to tell him that the Department of National Defence is more suspect, under greater criticism and more discussed by the people of Canada generally than is any other department of this government, and that is saying quite a great deal. And if this minister expects to restore the confidence of the people of Canada in that department he should avoid going on political junkets and making cheap political speeches, because if there is any record that needs to be changed it is the record of the Department of National Defence.

Mr. Fleming: That will keep him busy, too.

Mr. Nowlan: I am not sure how much time I have left. I want to refer to a matter which came to my attention the other day. I found that a paper published in Toronto, which is generally considered to have some access to information from the government, and which is certainly not hostile to it, stated that tax reductions will come in July so the taxpayers in Canada will get the benefit of them before the election in October. The article states that this information is derived from an informed source, whatever that may be. It is one of the anonymous informed sources we hear of around here. I notice that it is datelined Ottawa, December 8.

I was rather intrigued by this suggestion of tax reductions, which have been asked for so often by the opposition, and I wondered if by any chance they would be brought in again on the eve of the election. I checked back to some other tax reductions and some records to see what took place during the last few elections. I find, for instance, that prior to the 1945 election the excise tax of 25 per cent on refrigerators was repealed by order in council 28 days before the election. It was reimposed afterward, and it was substantially reduced again before the 1949 election. I found that the tax of 25 per cent on electrical appliances was reduced by order in council 28 days before the election. After the 1945 election was won the tax went back on, and then it was reduced again before the 1949 election and reimposed at 15 per cent in the budget of 1951. One could go on. There was a tax on stoves, cameras and soft drinks. The 25 per cent was repealed in the 1949 budget and reimposed at 30 per cent in September, 1950. On candy and confectionery the 30 per cent tax was repealed in the 1949 budget and reimposed in 1950. The radio tax of 25 per cent was reduced to 10 per cent by order in council just before the 1945 election, and reimposed by radio again. Thus began radio ukase in Canada by the Liberal government in 1947. It was reduced to 10 per cent just before the 1949 election, and was increased again in the following budget after the 1949 election. One could go on, Mr. Speaker, giving example after example of those tax reductions; and the pattern has emerged of reducing before the 1945 election, increasing after the 1945 election, reducing before the 1949 election and increasing after the 1949 election, reducing now before the 1953 election and if this government by any misfortune happens to come back to power undoubtedly increasing again in the following budget.

We have heard a great deal of cyclical budgeting. That was the way it was described at one time, but we all know the term the press gallery coined for it and which is much more descriptive, namely cynical budgeting. And if we get a tax reduction on the eve of this election it would be the most barefaced, the most glaring example of cynical budgeting this country has ever known.

Mr. Graydon: Beware the Greeks bearing gifts.

Mr. Nowlan: This morning the Prime Minister gave us a brief résumé or review of what happened recently in London. I know of no matter of a positive nature which is of more importance to Canadians generally than is the problem of sterling and of accessibility to the British markets. Certainly, sir, there is no problem of such paramount importance in eastern Canada; and when we have had a further report on it and have received greater details, we shall then discuss that matter on the budget or on some other occasion. We do hope and trust that as a result of the varied belated efforts which this government has put into the matter of dealing with the problem of sterling at the conference of commonwealth ministers some concrete good will emerge for the primary producers who are dependent upon that market.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, it is usual in taking part in these debates to say a word of congratulation to the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne. I am very happy to do that, and since I am frequently accused of or being told that I am quite an ardent Liberal, I am particularly happy to do it because of the fact that these two hon. members confirm the belief I have always had in this House of Commons as the effective method of governing not only in this country but in the world today. I am a profound believer in the Canadian system of government and in the part the House of Commons plays in it. During my experience as a member of this house for some twelve years and the opportunities that are provided for contact with members of other government bodies in other countries I am only strengthened in my view on that subject. The whole history of each of these hon. members about whom I am speaking confirms me in that belief.

I should like to say a word about the hon. member who has just taken his seat, and particularly about one point he raised. He spoke about the difficulties certain of our universities in the area with which he is naturally most closely concerned have in financing their efforts. That undoubtedly is a very real problem, and I am glad to hear him raise it in this debate and say a word about it. It is an embarrassing and difficult problem, because the history of this country makes it impossible and undesirable for the federal government to interfere in the field of education. Yet while we recognize that fact, there is also no doubt that the universities and some of the other educational institutions are having some difficulty in carrying on their efforts, and need some further help.

I was glad to hear his acknowledgment of the good work done in the post-war period with veterans in the field of education, and to hear his reference to the federal grants to universities. There is one other phase of the subject he might have touched on that

has been a very real help to some of the universities, namely national research council grants and scholarships. They are a very positive help to the science faculties, at least.

I am sorry the senior hon. member for Queens (Mr. McLure) is not in his seat. I propose to say something about his remarks of Friday last. Those remarks I found most upsetting and disturbing, and I am quite sure most hon. members feel that way about them. The hon. member for Queens (Mr. McLure) is naturally very proud of his constituency and his province, and I think quite justifiably. I have nothing but commendation for him for that. I have no doubt the constituency is a very fine one. Each of us, of course, thinks his constituency is the finest and his province the best. The province from which the hon. member comes is indeed a fine province, one that has come to be known not by its name but rather as "The Island". We know the affection with which other Canadians use that term when they are referring to Prince Edward Island.

However, the hon. member did say some things that I think must not be permitted to go unanswered. He was dealing with some unfortunate or bad publicity the province had received through an article appearing in a Canadian publication. In dealing with the article the hon. member made reference to a photographer from the constituency I have the honour to represent. In dealing with that photographer he quoted from a newspaper, the Summerside *Journal and The Pioneer.* Referring to this portrait photographer the newspaper article, in its first sentence, contains these words:

> This big-feeling foreigner, now Canadian, who visited Charlottetown this summer on his tour for *Maclean's* magazine—

And so on. Apparently the hon. member quoted that with approval; and in his own comments, as they are reported at page 600 of *Hansard*, he said:

> If *Maclean's* magazine wanted to get some information about Prince Edward Island, why did they not get in touch with some of the people who have been coming for years to Prince Edward Island, rather than go to a foreigner—who is now a doubtful Canadian—looking for a report they might publish later as, in this instance, they have done.

Well, it is the implication in those remarks with which I wish to concern myself, the reference to a fellow Canadian of long standing as a foreigner and, not only that, the implication that a foreigner is in some way a person to be held in less esteem, or despised. This fellow Canadian about whom the hon. member was speaking is a man who came to this country as a boy, about 1924, from a country in which there were great political upsets and disturbances. I suppose had he come in more modern times the term "refugee" would have been used. He was then 16 years of age, and settled in the Sherbrooke area of the province of Quebec. In 1933, one of the years when things in this country were not very good from a business standpoint—and at a time when the then leader of the party to which the hon. member for Queens belongs was prime minister of this country—this young man, who had become a naturalized Canadian as soon as the necessary time elapsed after his entry into this country, started to carry on business here in Ottawa.

At first he was working for another man. In a very few months, when the older man went out of business, the person in question continued the business himself. He built up that business, and has become not only a portrait photographer of great reputation in the constituency I have the honour to represent, but a portrait photographer of great reputation throughout the whole of this country, of great reputation throughout the United States, the United Kingdom and indeed the whole world. Probably he is the best portrait photographer in the world; certainly he is one of the greatest.

I make nothing of the point as to his degree of greatness, but certainly it can be said that he is a very great portrait photographer. I do not know if other hon. members have shared my experience when visiting other countries, of being asked if I know this Canadian photographer, who took certain very famous pictures of persons known throughout the world. While this great Canadian photographer may be a small man physically, he is a man of very real stature, and I am sure the attack made against him and the references to him will not concern him personally to any great extent. Figuratively speaking his shoulders are very broad and he can bear attacks of this kind, and many more like them, without any damage whatever. But the implications of the attack are of real consequence, because this country is built up of persons coming from many different lands. Our racial origins are diversified. Some 48 per cent, by racial origin, came from the British Isles. The next largest racial group are of French origin, and the remaining racial groups come from some thirty or forty other countries, in varying percentages.

Great numbers of our population came here, by choice, as immigrants. In most cases they came because they felt there was a good opportunity here to develop their human personalities, earn their living, and provide opportunity for their children. Having come here they brought with them from their

homelands skills and cultural attributes. Those skills and cultural attributes have done much to develop this country. They have been a great factor in our present development. Not only are we fortunate in Canada in having been blessed with great natural resources, but also by the fact that our population comes from a diversity of origins, each contributing its own cultural background and acquired skills. These have been blended to make our Canadian nationality something of which each one of us can justly be proud.

This portrait photographer from Ottawa, this "foreigner", this "doubtful Canadian"—and I use the language of the hon. member for Queens—was chosen to be the representative of Ontario at a very impressive ceremony in this country when the new citizenship act came into force early in 1947. A most impressive ceremony was held in the Supreme Court of Canada on that occasion, when the Chief Justice of Canada presented citizenship certificates to representative Canadians. The man chosen from Ontario on that occasion was this portrait photographer who carries on business in the constituency of Ottawa West.

Surely if we are to continue to develop this country, we must continue to have immigration into it. That immigration must include people who come here feeling they can become full Canadians, if they meet the requirements, after the necessary lapse of time. They must never be made to feel that they will be second-class Canadians, third-class Canadians or fourth-class Canadians. They must have the right to feel that they and their children, provided they have met the conditions and have acted properly, are full Canadians the same as any others. The term "national unity" must in fact be something real, not just a phrase used in speeches. I do not want to say anything more personally about Mr. Yousuf Karsh, but I do want to say something in protest on behalf of those millions of Canadians who are in the same position, who have come here of choice, who have become full citizens and who want to carry on as full citizens, who want their children to carry on as full citizens.

Mr. Brooks: Does not the hon. member agree that he is making a mountain out of a molehill?

Mr. McIlraith: No, sir. I am glad that question has been raised. I consider that this goes to the very root of our national unity. Not only that, it involves a deep-rooted principle. When I started to practise my profession in Ottawa about the same time as this man was starting up in a little shop, I took a great interest in politics. I worked in some of the branches of the national young Liberal organizations. There was one thing that impressed me, not so quickly at first but gradually, and that was this question of national unity. Our former prime minister used that phrase a great deal and was ridiculed for doing so. In that work I found that when we were considering current matters we were always coming up against the consideration of that principle. You began to realize that it applied not only geographically to this strip of country along—

Mr. Brooks: I would consider this to be a matter between the hon. member for Queens (Mr. McLure) and Mr. Karsh.

Mr. McIlraith: This matter was raised by an hon. member in this house, and judging by the calls I have had about it I consider it to be a most important matter of principle. If I may just finish my remarks, we had to consider national unity, not only from its broad aspect geographically and from the other variations by reason of great distances, but also as it affected persons because of different racial and language backgrounds. In the last number of years when I have dealt with representatives of governments of other countries, an opportunity for which I am most grateful, I have noticed that the one thing that seems to bear in on their minds is the fact that this country is one where there is more practical application of this idea of national unity and more hope for our people because of it than in any other country.

Mr. Kickham: Will the hon. member permit a question? Does he consider that Mr. Karsh made a truthful statement in his reference to the food served in Prince Edward Island?

Mr. McIlraith: I consider that the hon. member for Queens was quite right in raising the question as to the food served in the hotel. There is no question that the hon. member was quite right in raising that matter and defending it to the limit. But that does not permit him to attack and cast aspersions upon a fellow Canadian citizen on the ground that he came originally from another country.

Mr. Kickham: If the hon. member made such a statement in Armenia he would be kicked out of the country.

Mr. McIlraith: I am sorry I did not hear the hon. member.

Mr. Hodgson: Oh, oh.

Mr. McIlraith: I will give the hon. member for Victoria, Ont. (Mr. Hodgson) a good deal more if he wants me to. I would like him to discuss principles in this house instead of having his leader saying that he must not discuss their policies as he is the Leader of

the Opposition. Any time the hon. member wants to discuss questions of Liberal principle I shall be glad to oblige him.

As I was saying, when I was working in those days with the Liberal party the question of national unity came up quite often, and it impressed me. I think one of the reasons I am as ardent a Liberal as I am today is that I felt the basis upon which we must operate in this country was a strong recognition of national unity in all our policies. Any time the hon. member for Victoria (Ont.) wants to discuss this matter further I am ready to discuss it with him and I will give him book, chapter and verse.

Mr. Hodgson: I would like to invite the hon. member to Victoria to discuss it any time he wishes. He can set the date and place.

Mr. Sinclair: Is the hon. member tongue-tied here?

An hon. Member: Do you have to be home to talk?

The Acting Speaker (Mr. Robinson): Order.

Mr. McIlraith: If the hon. member for Royal considers that this matter involves no question of principle, let me tell him the Liberal party has been discussing this type of question as a matter of principle for a number of years, and as far as I am concerned we are going to continue to discuss it for years.

Mr. Brooks: On a question of privilege, I did not say it did not involve a question of principle. I said it was principally a matter between the hon. member for Queens and Mr. Karsh, and the hon. member was simply trying to make a mountain out of a molehill. That is what I said. An apology as between these two men would be very much in keeping. It does not involve the whole principle of two parties in this country.

Mr. McIlraith: It involves the principle of first, second and third-class citizenship in this country. As far as I am concerned, it is going to be discussed and treated as a matter of principle because you cannot have a country with first, second and third-class citizenship.

Mr. Fulton: You should know.

Mr. McIlraith: I notice the hon. member for Kamloops (Mr. Fulton) seems to be agitated, but he will have to save his remarks for another time.

Mr. Fleming: May I ask the hon. member if he spoke to similar effect to his British Columbia colleagues when the question of the treatment of Japanese Canadians was before the house?

[Mr. McIlraith.]

Mr. McIlraith: Yes, I did. Not only that, I am on record as speaking at a meeting not many blocks from this chamber during the election campaign. I told them at that meeting that they were seeking to raise racial prejudice but that we were Canadians one and all. A questioner in the audience, planted there by friends of the hon. member's party, questioned that policy. Furthermore I told him that as soon as I finished with that meeting I was going to meet a group of Canadians of Syrian extraction in the west end of the city, and when I got there I proposed to tell them the same thing. I asked this questioner if he wanted me to take a message from that meeting, which was being held at the corner of Queen and Metcalfe streets, to the effect that there were different classes of Canadians among our citizens.

Mr. Fleming: Then you did not support the government's policy.

Mr. McIlraith: I do not want to get diverted too far by the hon. member for Eglinton, but I can tell him about a meeting in his own constituency where he was the speaker. One of his friends who was a member of his audience walked out and has never voted Conservative since.

An hon. Member: Good sense.

Mr. McIlraith: I can give him the street address if he wants it.

Mr. Fleming: I can bring you a hundred of the other kind.

Mr. McIlraith: That may be, but I just wanted to point out the technique that has been used. As I said, we talked about national unity and so on. So that I cannot be accused of drumming up something and making it into a question of principle I should like to go back to the record. You know, we Liberals are not ashamed to go back and read from the previous speeches of our leaders. We are not afraid to have them quoted. The hon. member for Eglinton is justifiably upset.

Just let me read to you the remarks made by the former prime minister of Canada when he was retiring as leader of this party at the great Liberal convention held in August, 1948. There was a phonographic recording made of his words and I would commend it to the hon. member for Eglinton (Mr. Fleming) and to any other of his colleagues if they are interested. I will just put on record two or three sentences. Here is what he said:

> It is a basic principle of Liberalism that all its policies should make for the maintenance and strengthening of national unity. If a house be divided against itself, that house cannot stand. We should strive for that which will help to give to all our people a united faith in the future of this

great country. Our policies should be framed to serve the general interest and not the interests of any one section, class or group. Our outlook should not be local, or provincial. It should be a national outlook.

Our country is a federal state, occupying half a continent. We must seek our unity in diversity, not in unformity. Canada was created from diverse elements, each with proud and noble traditions and customs. It is composed of several provinces, each with its own history, and each with constitutional responsibilities which must be respected and safeguarded. Every one of us, if we are to be true Liberals, will endeavour to understand the background, the feelings and the outlook of other Canadians.

Mr. Fulton: I notice that he waited until he retired to say that.

Mr. McIlraith: That interjection is a reflection on the member who made it.

Mr. Fulton: Inhuman policy is the word for it.

Mr. Sinclair: He retired voluntarily; he was not turfed out of his own party.

Mr. McIlraith: That speech was made to his own followers, and that is the doctrine of the Liberal party.

Mr. Fleming: Those are the words of the Liberal party—not its actions.

Mr. Cruickshank: Another Rhodes scholar?

An hon. Member: You have him worried.

Mr. McIlraith: I have just finished reading a book.

Mrs. Fairclough: Your first one?

Mr. McIlraith: The bright remark by the hon. member for Hamilton West (Mrs. Fairclough) is probably warranted and I take it in quite good part. It is Mr. Creighton's first volume on the life of the first Canadian prime minister, Sir John A. Macdonald. One cannot read that book and not be impressed by the recognition by the first Canadian prime minister of the problem of national unity, and the struggles to recognize the diverse backgrounds of the different parts of what became Canada. You cannot help but be impressed by his appreciation of his problem. I can only regret that his followers today have not the good judgment to read and study some of his views on that matter and apply them to themselves and to their policies. I make no apology whatever for making reference to that fact.

An hon. Member: That is only your judgment.

Mr. McIlraith: That is my judgment of the first Canadian prime minister and his appreciation of the problem. It is a matter of tragedy that in this country today the party that is called, and properly called, the official opposition, which in our system of government implies the status of being an alternative government—

An hon. Member: The next government.

Mr. McIlraith: —has not seen fit to recognize what their first great national leader saw fit to recognize, a broader policy—

Mr. Fleming: Just absurd.

Mr. McIlraith: I do not reply to the hon. member for Eglinton in kind because he used the word "stupid" on one occasion and then objected when I used it in reply. I refrain from using the word "absurd" either in reply to his interjection or in any way connected with it. The hon. member for Eglinton is quite agitated, and well he might be because I propose to speak for a few moments about trade in this country.

Mr. Fleming: Why not about redistribution?

Mr. McIlraith: There has never been such a satisfactory job of redistribution done since confederation.

Mr. Fleming: You mean such a butchery of riding boundaries to serve the government's interests.

Mr. McIlraith: I may tell my hon. friend that one of his colleagues, a member of his own party, did not come into the house when he was raising all the disturbance about redistribution. That member was too disgusted with the fuss raised by the hon. member for Eglinton.

Mr. Fleming: That is utterly untrue.

Mr. Sinclair: Don't be childish.

Mr. Fleming: The hon. member has just made a statement, Mr. Speaker, which I do not think should be allowed to pass without being controverted. He has stated that certain members of the Progressive Conservative party in this house stayed out for a particular reason.

Mr. Rowe: There are some out from over there.

Mr. Fleming: The statement that some of our members stayed out of the house for the reason he has given has not one shred or tittle of truth in it. If the hon. member does not know that it is high time he did.

Mr. McIlraith: If I have in any way offended the hon. gentleman's sensibilities—

Mr. Fleming: You do not offend my sensibilities, you only offend the truth.

Mr. McIlraith: As to why the hon. member was out of the house, I withdraw my remark

completely; but I mention the fact that an hon. member on the committee from his own party was out of the house throughout the time he was debating redistribution.

On the question of national trade, which the hon. member for Eglinton does not want discussed, and which he is seeking to prevent being discussed—

Mr. Fleming: That is equally untrue.

The Acting Speaker (Mr. Robinson): I must remind hon. members that the hon. gentleman who has the floor may not be interrupted without his consent.

Mr. Fleming: I am rising on a question of privilege. The hon. member has said that I am trying to prevent him discussing trade. That is quite untrue. I would be glad to hear all he has to say about trade.

Mr. McIlraith: I thank the hon. gentleman for that courtesy, and I will be very glad to continue my remarks.

For the first ten months of this year trade figures in total or in gross are pleasing to all Canadians. There is no doubt about that. Our exports are up rather substantially. With the United Kingdom they are up 23 per cent and with all countries they are up about 10 per cent. There are some tables here and, if the house wishes them put on record, I will be glad to do so. One table gives the exports for 1935, 1937, 1938, 1939, 1950, 1951, and the first ten months of 1951 and of 1952. The figures are broken down by countries: United States, United Kingdom and other commonwealth countries. The same breakdown is given for imports. I would be glad to put the figures on record in that form:

Canadian External Trade
($000,000)

Exports (excluding re-exports)

	Total	U.S.A.	United Kingdom	Other Commonwealth	Other Countries
1935	729	266	304	74	86
1937	997	360	402	104	131
1938	838	270	340	103	125
1939	924	380	328	103	113
1950	3,118	2,021	470	185	442
1951	3,914	2,298	631	241	744
1951 (10 months)	3,156	1,899	510	195	552
1952 (10 months)	3,512	1,977	625	223	787

Imports

	Total	U.S.A.	United Kingdom	Other Commonwealth	Other Countries
1935	550	312	117	57	64
1937	809	491	147	89	82
1938	677	425	119	67	66
1939	751	497	114	75	65
1950	3,174	2,130	404	241	399
1951	4,085	2,813	421	306	545
1951 (10 months)	3,486	2,385	369	274	458
1952 (10 months)	3,324	2,449	296	160	419

Those figures show a sharp increase in general trade. Much has been said in this house about particular products, and I have no quarrel with that. But it is always difficult, when a nation trades to the extent this country does, to deal with all particular products all the time. It is interesting to note that Canadian exports of agricultural and vegetable products are running like this:

Canadian Exports of Agricultural and Vegetable Products

1938	$191,000,000
1950	637,000,000
1951 (year)	894,000,000
1951 (10 months)	677,543,000
1952 (10 months)	918,324,000

The table for animals and animal products is as follows:

Canadian Exports of Animals and Animal Products

1938	$118,000,000
1950	366,000,000
1951 (year)	348,000,000
1951 (10 months)	294,000,000
1952 (10 months)	192,000,000

It will be seen, therefore, that the reduction in exports of animals and animal products for the first ten months of this year is considerably less than the loss of exports of those products which were cut off by reason of the embargo resulting from foot-and-mouth disease. It will also be seen that animals and

animal products, and agricultural and vegetable products exported from this country during the first ten months of this year are sharply up. When the problems of individual products are discussed it is quite wrong to say that markets for agricultural products have been lost and that farmers generally are in a bad situation.

A great deal is said about exports to the United Kingdom. Here are some of the main items in which there have been sharp increases in those exports. Let us just look at them for a minute. My time will not permit me to give the figures, though I have the figures for each item if the house wants them. There is an increase in the export of barley, of wheat and tobacco—quite a sharp increase in the export of tobacco to the United Kingdom—of pit props; softwood lumber; woodpulp, sulphate, unbleached; newsprint; ferro silicon; aluminum; zinc spelter; asbestos milled fibre. I have the figures if the house is interested in them. You will notice that the first items, barley, wheat, tobacco and pit props, are all items produced by farmers. Although pit props might not be ordinarily classed as a farm product, anyone knowing the maritimes and the method of operation in New Brunswick would certainly consider them as farm products. If I have the consent of the house, I will put the table on the record.

Some hon. Members: Agreed.

Mr. McIlraith: The table is as follows:

Some representative Canadian products whose exports to the United Kingdom have increased

		Nine Months 1950	Nine Months 1951	Nine Months 1952
Barley	bush	—	536,664	1,032,067
Wheat	bush	65,934,335	62,730,157	82,646,080
Tobacco, bright cured	lb	13,714,922	18,441,788	28,471,854
Pit props	cord	12,798	40,325	248,030
Softwood lumber	m. ft.	177,930	668,128	741,653
Woodpulp, sulphate, unbleached	cwt.	49,534	382,748	593,868
Newsprint	cwt.	155,282	1,056,126	1,769,966
Ferro silicon	ton	32,346	32,927	41,530
Aluminum	cwt.	1,647,473	2,831,745	3,909,259
Zinc spelter	cwt.	556,301	746,469	1,373,671
Asbestos milled fibre	cwt.	21,666	21,315	25,754

Something was said by the hon. member for Vancouver-Quadra (Mr. Green) about British Columbia apples. He regretted the loss of the United Kingdom market for them. Something like one month before the hon. member made his speech in this house all the apples in British Columbia had been sold, and I am happy to say sold at a very good price. I have not had the opportunity of examining the question of price in detail, but I am told that it is certainly higher than anything in the last ten years. I have not, as I say, checked the precise figures, but in any event the price was high.

Mr. Fulton: I do not think your information is accurate.

Mr. McIlraith: I do not know where the information came from about there being a problem in the marketing of British Columbia apples.

Then one other aspect of the subject of marketing was mentioned by the Leader of the Opposition (Mr. Drew). I could quite sympathize with the hon. member for Annapolis-Kings (Mr. Nowlan) when he said he did not want us to refer back to his leader's previous speeches. His leader said that 80 per cent of our exports went to the United States. I cannot find anything to support that figure, even for one month. In 1950 the figure was 65 per cent; in 1951, it was 59 per cent, and the current figure this year is 53 per cent of our exports go to the United States. As a matter of fact, at no point have I ever found any item that would support his statement that 80 per cent of our exports went to the United States. If he has authority for it, it is not to be found in the trade figures available.

I wanted to deal with another statement; that is that these trade figures do not affect the real standard of living. They very much affect the real standard of living in this country. I shall have to abbreviate my remarks, but I might point out that consumer spending is up a great deal in Canada, something of the order of 6 per cent higher than in 1951. The current rate of retail sales is about 6½ per cent higher in value than in 1951, and at least 3½ per cent greater in volume. As an example of that, at the last session we heard a great deal of talk from the opposition about particular sections of business or industry being injured or damaged. Let me point out that retail sales of automobiles, for instance, in September 1952, were up 12 per cent over the previous September, while radios and electric appliances were up some 43 per cent.

Perhaps it is not a good thing to isolate particular products like that; perhaps we would do better to take food purchases. Food purchases were 7½ per cent higher in value and 7 per cent higher in volume in the first nine months of 1952 than in the first nine months of 1951. Now, in dealing with that figure, you must remember that there are many new consumers in 1952, about 400,000 more than in 1951. After you allow for that, there is still a very substantial increase in the consumption of food by Canadians. I do not know of any index that is a better indication of the material well-being of Canadian citizens. Any of the other indices you take, of course, indicates the same thing.

In another speech delivered by the Leader of the Opposition just last week end, which is reported in the *Globe and Mail* of Monday, December 8, he talks about the trading policy of this Liberal government. He went on to say that he would not be content to sit back in palsied impotence—that is the phrase he used. He referred to the government's trade policy as palsied impotence. I ask you, Mr. Speaker, what is there to indicate palsied impotence in a policy that has resulted in our trade increasing to something over $8 billion last year? It will be slightly higher this year. The whole trade policy of the government has been anything but palsied impotence as indicated by the Leader of the Opposition. The whole policy has been to continue to expand and increase trade on a multilateral basis. The fact has been stated and restated here to the point where I am sure it must have aggravated many listeners.

This policy has been exemplified by these facts in the administration of the Department of Trade and Commerce. During the war years we had to close some 12 foreign trade offices. Since the war we have reopened 10 of those and in addition opened another 17 foreign trade offices. We have set up a commodities branch. We have set up an agriculture and fisheries branch. The United Kingdom and Canada have a continuing committee on trade and economic affairs which sits at irregular intervals during each year. The policy has been one of continuous and aggressive effort to seek to increase trade.

During a bit of crossfire the other night reference was made by one of the members of the opposition groups—I am sorry I have not the precise reference—to the period 1935-39. I just want to remind hon. members that with a very short bit of work I have been able to turn up some eleven or twelve trade treaties executed by this same Liberal party during those years. I ask hon. members if that is a policy of palsied impotence. I suggest that the palsied impotence is in the inability of the opposition to develop its policy with respect to trade and expound it.

Mr. Fleming: Even your colleagues are laughing.

Mr. McIlraith: I am very happy that they are pleased with my remarks. I appreciate that.

Mr. Fleming: Palsied laughter.

Mr. McIlraith: I see that the hon. member for Eglinton (Mr. Fleming) still wishes to interrupt. He is not able to possess his soul in patience; but whether that is a chronic condition with him or is caused by my remarks, I do not know.

It will be noticed that the trade with Latin America is tremendously increased. Not only that, but we have had one trade mission there since the end of the war headed by the then minister of trade and commerce (Mr. MacKinnon) and we have another one going there, headed by the present Minister of Trade and Commerce (Mr. Howe). In my opinion that is a substantial indication of the Liberal policy, and is a thoroughly good one.

I had intended to make some reference to industrial raw materials in relation to trade, but I fear my time is extremely short. I shall try to condense those remarks greatly. I just want to remind hon. members who are discussing this question of export of industrial raw materials of one or two basic facts. They are that last year our industry required to import something of the order of three times as much industrial raw materials as Canada exported. This is a hard fact. Now we are becoming less dependent on industrial raw material imports. I cannot perhaps elaborate, in the time I have at my disposal, on the development of Canadian industry in processing Canadian raw materials; but it is interesting that of industrial materials the main exports are pulpwood, nickel, asbestos, zinc, iron ore and copper. Our imports are crude petroleum, coal, raw cotton, crude rubber, raw wool, iron ore and vegetable fibres. In addition to that, we must import all the bauxite for the aluminum industry, all the cryolite for the aluminum industry and of course sulphur for the newsprint industry whose product is of tremendous export value.

On this question of iron ore, the situation today is that Canada must import more iron ore than she exports. We import iron ore to the extent of about $23 million in value, and we export iron ore to the extent of $19 million in value. Hence, when I read speeches by some hon. members and others decrying the fact that we export iron ore, I would just remind them that our steel mills could not carry on if we did not import more iron ore than we are at present exporting. There is a

reason for that, having to do with the quality of the ore and so on, and the need for mixing different ores.

The exports of industrial raw materials in 1939 were some $56 million and our imports in that year of industrial raw materials were $142 million. In 1951 the exports of industrial raw materials were $251·6 million and the imports were $724·1 million. In 1952, for the first eight months—those are the latest figures I was able to obtain—the exports of industrial raw materials were $184·2 million and the imports were $376·8 million.

The exports of foodstuffs—on the export of which our country is dependent to a great extent—in 1951 were some $905 million. I ask hon. members to consider well just what would happen to our exports of food materials if we stopped the export of industrial raw materials.

Then the exports of partially manufactured materials in 1951 were some $1,259·8 million. The exports of fully or chiefly manufactured articles were some $1,497·3 million. That gives total exports for 1951 of $3,914·5 million. In other words out of a total export of $3,914·5 million in 1951, the industrial raw materials exported were $251·6 million. I have here the precise table worked out for 1939, 1951 and the first eight months of 1952, except that I was not able to get the breakdown between partially manufactured goods and fully or chiefly manufactured goods for the first eight months of 1952. If hon. members wish that it be placed on the record, I should be glad to do so.

Some hon. Members: Agreed.

Mr. McIlraith: The table is as follows:

TABLE 2.—EXPORTS AND IMPORTS OF INDUSTRIAL RAW MATERIALS, CANADA, 1939, 1951 AND 1952.

Item	1939		1951		1952(1)	
	Exports $ Mill.	Imports $ Mill.	Exports $ Mill.	Imports $ Mill.	Exports $ Mill.	Imports $ Mill.
Industrial Raw Materials(2)	56·4	142·4	251·6	724·1	184·2	376·8
Foodstuffs, etc.(3)	217·4	58·4	905·8	282·0	—(4)	—(4)
Sub-total	273·8	200·8	1,157·4	1,006·1	—(4)	—(4)
Partially Manufactured	247·0	66·0	1,259·8	304·0	—(4)	—(4)
Full or Chiefly Manufactured	404·1	484·2	1,497·3	2,774·8	—(4)	—(4)
Total	924·9	751·0	3,914·5	4,084·9	2,805·8	2,596·4
Industrial Raw Material as Per Cent of Total	6·1	19·0	6·4	17·7	6·6	14·5

Source: Trade of Canada.

(1) Covering first eight months of 1952.
(2) Items with a value of $1 million and over in 1951.
(3) Includes besides foodstuffs, seeds, tobacco, live animals, furs, skins and hides.
(4) Not as yet available.

I realize that I have had the indulgence of the house in being allowed to go slightly beyond the full extent of my time. I therefore want to thank the house for the courtesy.

Mr. Romuald Bourque (Outremont-St. Jean): Mr. Speaker, before proceeding with my address I should like to join the many hon. members who have preceded me in congratulating the hon. member for Brome-Missisquoi (Mr. Deslieres) and the hon. member for Waterloo North (Mr. Schneider) who respectively proposed and seconded the motion for an address in reply to the speech from the throne, on the brilliant way in which they acquitted themselves in their task.

Mr. Speaker, I am fully cognizant of the honour and privilege that is given to any

Canadian who is called upon to represent his fellow countrymen in this house. I am fully cognizant, too, of the responsibility that rests upon anyone who speaks here on behalf of his constituents. I do not take that responsibility lightly.

In Canada today we are on the very threshold of our greatest national development. We who are assembled here are well aware of the great developments that have taken place during the past two decades. We are aware of the vast industrial progress that has been made, of the great improvements in our standard of living, and of the new spirit of Canadianism and Canadian unity that is creating here a country of unequalled opportunity.

We must also be aware, as we listen to the addresses by hon. members from the other side of the house, that we in Canada must always guard against those divisive influences, those sectional and regional appeals which in other countries have led only to confusion and despair. Canada is not a totalitarian country. It believes in giving voice to every brand of opinion that is within the bounds of decency and does not involve treason or sedition. It believes in preserving all the rights and privileges of those in opposition so they may serve, and they are intended to serve, as constant, alert and vigilant critics of government measures.

All this is designed for the protection of the public. It is the very basis of our political system, but it should not degenerate into criticism for criticism's sake, nor should it become a long series of attacks and innuendoes bringing into disrepute the honourable actions of those who are responsible for administering the nation.

I must, however, state here that I do not approve of the smearing campaign carried on by many members of opposing political parties. By insinuations and by indirect accusations they hint at corrupt and improper practices. If they have any accusations to make against the government in power why do they not come out openly and make those accusations? Of the billions of dollars collected in taxes and spent for the benefit of the country, not one charge of graft or scandal has been made against one member of the Liberal administration. From the taxes collected in the last few years over $2 billion of the national debt has been paid off, and this by the Liberal regime.

Mr. Fleming: By the taxpayers.

Mr. Bourque: Certainly. We hear constantly from the members of the opposite side of the house what seems to be their theme song, "It is time for a change". Time for a change, when our money is at a premium on the United States money market; time for a change, when we have almost full employment in Canada; time for a change, when our industries are busier and our payrolls higher than ever before in the history of Canada; time for a change, when the take-home pay of the average Canadian worker is higher than it has ever been; time for a change, when each and every Canadian citizen has more things than he ever had before, such as an automobile, an electric refrigerator, an electric stove, a radio, a home, and many other things he never owned before; time for a change, when every class and group of citizen is enjoying new prosperity; time for a change, when Canada holds the respect of most of the other countries of the world and when millions of people are clamoring to come here to make their homes; time for a change when Canada is at the threshold of its greatest era of prosperity, guided and helped by the able leader of this government and his ministers.

At this time, Mr. Speaker, I should like to place on the record what two leaders of finance in Canada had to say about the affairs of this country. I will not read the whole advertisement of the Dominion Bank but only the part that applies to my subject. Mr. Robert Rae, president of that bank, in an advertisement published in a Montreal newspaper on Thursday, December 11, 1952, had this to say:

> Canada's population may be 30 million by 1975. Future depends on investment of savings, says Dominion Bank president.
>
> Canada's national income has again achieved a new peak. The physical volume of production has also broken all records. The 1952 crop of wheat and coarse grains has surpassed that of any previous year. Export trade has been greater than ever before, both in dollar value and in physical volume. Capital investment in new plant and equipment has established a new record. Retail sales have been buoyant. The cost of living is much the same as it was a year ago. This means that the Canadian people are now living more comfortably than ever before.
>
> The current rate of population growth is striking evidence of the faith which native-born Canadians and new Canadians coming from abroad have in this country's future. During the past twelve months the number of persons in Canada increased by no less than three per cent—a high rate of growth. If this rate of population increase is maintained Canada will have nearly 30 million people by 1975—twice as many as at present.
>
> During the past four years, while Canadians were saving 8½ cents out of every dollar of personal income, the people of Britain—faced with unprecedented need for the rebuilding and modernization of plant, equipment and housing—could only save one cent out of each dollar, due to the character and burden of taxation. Practically all of British investment during the post-war period has come from government funds and from corporate savings. In these fields also the rate of savings in the United Kingdom has been somewhat less than in Canada.

We Canadians may learn much from the present plight of Britain. The load of taxes which burdens us is less heavy than the load burdening the British people. The fiscal system here is less harmful toward enterprise than the fiscal system in Britain. Canada is rich in resources. The long-term prospects are bright. Developments now under way will increase greatly the range and volume of materials which the world needs and must have, and which Canada will be able to supply at fair and competitive prices. If risk-taking and enterprise are encouraged, if Canadians are given an incentive to save and invest, Canada will continue to move forward to greater achievements.

Now, Mr. Speaker, I should like to place on the record what Mr. Gordon R. Ball, president of the Bank of Montreal, had to say in an advertisement published in an Ottawa paper on Friday, December 12, 1952:

Canada today . . .
Who has
the lion's share?

It is not surprising that Canada should be viewed as a fertile field for the investment of money from abroad and still less surprising that, under existing circumstances, the lion's share of these funds should come from the United States. In the development of the resources of this continent, the international boundary line is becoming of less significance.

In point of fact, however, the relative role played by external capital in Canadian development has not been as large as is popularly supposed. For example, in the three years 1949-51 inclusive, the book value of non-resident investment in Canada increased by about $1,900 million, of which $1,700 million represented an increase in United States investment in this country.

While these figures in themselves appear large, they must be viewed in conjunction with the fact that in the corresponding period something like $12,000 million was spent in Canada for new capital development of all kinds.

In other words, then Canadians themselves provided, in this period, about $84 out of every $100 of new capital expenditures in this country, with foreign investors providing the remaining $16. It is also a fact that at the end of 1951 the proportion of Canadian industry controlled outside of Canada was somewhat smaller than in 1939.

If there are any Canadians who are inclined to view with alarm the extent of foreign participation in Canadian industry, the facts I have just recited should certainly tend to allay their fears.

I believe the citizens of Canada today are enjoying the most wonderful way of life it is possible to enjoy, and I feel sure that very few Canadians would want to go back to the days gone by. We hear complaints from many people, but is it not human for intelligent people to complain? We have not reached a Utopia; nobody ever will. No matter how high the standard of living there will always be those who will wish it were higher. Does the workingman want a full breadbasket with employment at high wages, with taxes at a high level, or does he want to go back to the uncertainty that existed in the days of the depression, when taxes were low and the breadline was long? Does the workingman earning approximately $75 per week, and paying approximately $10 per week for income tax, want to go back to the days of not so long ago when he earned an average of $25 per week, if lucky enough to be employed, but paid no income tax. Personally I do not think so. He is better off today financially, socially and economically than he ever was before.

Does the workingman want to go back to the days previous to the last war, when labour had almost reached the starvation point? Do the people want to go back to the days of not so long ago when our foreign trade was almost at a standstill? Do the people want to go back to the days when our farmers and our factories could find no market for their goods at home or abroad? Do the Canadian people want to go back to the days when our Canadian money was at a discount of 20 to 25 per cent on the United States market?

Nowhere else in the world outside of the United States can you find as high a standard of living as we now enjoy in Canada. The Liberal government provides the family allowances—a measure which was greatly derided by many members of the opposition, and christened by them the baby bonus—the old age pensions and pensions for the blind. These are some of the fruits of a taxation policy which is designed to create for Canadians a better and happier way of life. The Liberal government has given to all workers the protection of a sound unemployment insurance program which has eliminated for all time the need of a dole. The Canadian worker does not want charity, and the government recognizes and appreciates his position by providing a protection in which he can participate with dignity and with full respect for his position, as one who contributes to the development of our national wealth.

While each of us in this house represents a different constituency in Canada, a constituency with its own individual problems and its own individual claims for special attention and consideration, we realize that together we represent a great and growing nation. We do not seek uniformity of opinions or ideas, any more than we seek to destroy the individuality of each of our Canadian people. We welcome in Canada a diversity of races; we cherish the contributions to our Canadian civilization made by the English, the French, the Jews, the Italians, the Germans, the Scandinavian people and the people from many other lands who have come here to make their homes in our country. Each of these peoples has a vital contribution to

make to our way of life, and each of them should feel that he is represented in this free and democratic parliament. We want no repetition here of the hatreds which in Europe today are again producing the wave of anti-semitism which once characterized nazi Germany.

In this House of Commons we have a duty to perform to the people of Canada, a duty which goes far beyond the mere passage of bills and resolutions, a duty which involves providing leadership to the rest of Canada. No other deliberations in Canada receive the attention in the press and on the radio that is given to the deliberations in this house. Here, during the session, Canadians look for that inspiration and leadership which will symbolize their own faith in their country. Here, in our words and in our actions, they look for the expression of true Canadianism which will provide them with the courage and the enthusiasm to help them carry on their own individual tasks. It is our responsibility to see that we provide that leadership and that example which they are seeking.

The government of Canada, through the program it has carried out during the past 15 years, under the leadership of the late Right Hon. William Lyon Mackenzie King and under the present able leadership of the right hon. Prime Minister (Mr. St. Laurent) through the program which was outlined in the speech from the throne, has endeavoured, and I believe has succeeded, in providing that leadership. Nothing has ever entered into this continuing program which has favoured one section, one group of interests, or one class of individuals over another. Legislation has been introduced and enacted in the best interests of the country as a whole. Mistakes, when they have been made—and who is so perfect in this world that he never makes mistakes—have been recognized and rectified. The affairs of the nation have been conducted with one over-all purpose in view, to give to Canada and the Canadian government the greatest possible measure of good government, administered by able ministers and, above all, by honest men.

Criticism of the methods which have been followed, of the legislation which has been enacted, of the measures which will be introduced—this is the legitimate function of hon. members in the opposition. Such criticism creates no personal animosity and is accepted in good faith as a contribution to our national welfare. It is entirely different from that type of criticism which sees nothing but evil in everything the government undertakes, which throws suspicion at each and all of those who are responsible for the administration of the government, or which seeks to divide one section of our population against another. The constituency which I have the honour to represent is also literally a cross-section of Canada. Its population includes many races and several creeds. We have a variety of national backgrounds and a diversity of interests, but we are all united in believing first of all in our own constituency, and secondly in the nation of which we form a part. We would not welcome in Outremont-St. Jean any forces which sought to divide us one against the other, and we do not like that kind of force to be operating in our country. We believe that here in Canada there is room and opportunity for all, and we believe in seeing that all those who live and work among us are given an equal chance.

As a new member of this house I have much to learn, and I appreciate the many kindnesses and attentions which have already been shown to me, not only by the members of my own party but by the members of the parties in opposition. It gives me pleasure to think that I am received here not as an unreasoning partisan but as a loyal Canadian who is eager in this chamber to make some contribution to the welfare of his country. I believe in the government program which, over the past 17 years, has helped to produce such great prosperity in Canada. I believe in the many measures which have contributed so much to the welfare and happiness of all our people. I believe in the spirit which is evident throughout all the national legislation which over the years this government has introduced and implemented by efficient action. And I believe, too, in the right of all those opposed to the government to state their objections, and to have them seriously and thoughtfully considered by the hon. members in this chamber.

It is the privilege and the duty of the opposition to present counter-measures; it is their responsibility to offer at all times an alternative program to that of the government in power. I cannot believe, however, that the good of Canada is well served by criticism, real or implied, based not upon facts but purely upon political considerations. And I am sure my friends on the opposite side of the house will agree that our first obligation is to the people of Canada, and that only those things which add to the stature of parliament and contribute to the welfare of the country should be introduced into our proceedings.

No Canadians have ever had a greater opportunity than we to add to the glory and the prestige of Canada. Let us not throw

away that opportunity, but let us be united in purpose and love of country whatever our personal or political opinions may be.

(Translation):

Mr. Raoul Poulin (Beauce): Mr. Speaker, I propose to vote in favour of the amendment moved by the hon. member for Lethbridge (Mr. Blackmore). So as to avoid any possible misunderstanding about my position, I wish to give a few words of explanation.

I am not in favour of Social Credit and I am not associated with what is known in Quebec as the "Union des Électeurs".

I am voting in favour of the amendment not so much to show my approval of a principle of Social Credit, but rather because I hope, in doing so, to focus attention on a suggestion I want to put forward.

For the past few days, we have witnessed in this house rather acrimonious debates between members of the Social Credit party and members of other groups. I believe that the quality and tone of those debates will not serve to enhance the prestige of those groups among the public at large.

But that is not the matter I wish to raise. Since I came to this house in 1949, I have been astonished on several occasions to note the indifference with which the Social Credit doctrine has been received in this house, when it has not been ridiculed. For my part, this theory interests me, like any number of others, in so far as I can understand it. It seems to me that it might be interesting to know this theory, especially since its advocates boast of being able to cure the numerous evils which our present financial policies have not always managed to deal with successfully.

I have no intention of being a prophet of doom but, Mr. Speaker, what would happen here, in Canada, if the large international or supranational organizations, which influence our national policy to an ever-increasing degree, suddenly should decide to declare peace? That is bound to happen some day.

Our country, no more than any other, in fact, is quite unable to support, indefinitely, a war economy such as the one we have to cope with these days. Otherwise we should have to neglect that great principle which states that in order to defend itself a country must first of all ensure its own means of livelihood. Should we go on at this rate for too long, our very existence might be threatened whenever the time comes to transform a wartime economy into a peacetime one.

The apostles of the Social Credit faith claim that they are capable of lessening these economic catastrophes, even of preventing them. Would it not be worth-while to give these gentlemen a chance to express their theories freely, here or elsewhere, to serious-minded, unprejudiced people, who would listen to them attentively and intelligently?

There is no getting away from it; either this theory is absurd, unattainable and consequently dangerous; or else it is practical, attainable and consequently deserves consideration.

As regards the first alternative, we would be already far behind, for the harm would now be very much widespread and the old political parties—no disparaging sense being attached to the term "old"—know it by experience, because in at least two of the Canadian provinces, they are being soundly trounced by the apostles of the new creed.

As for the second alternative, there are some who would be only too happy to prove intelligently rather than by means of stupid denegations or inappropriate interruptions, the insanity and economic danger of this doctrine.

For my part, I refuse to believe that everything is basically wrong in the social credit doctrine, as long, at least, as the contrary has not been proved. I also refuse to believe that a considerable and ever-increasing part of the Canadian electorate is totally mistaken as to its value and that of its supporters.

There must be something to this, just as there must be something to the theories expounded by socialists, Liberals, Conservatives and, if I may be permitted to add this, independents. Otherwise our democratic system would be a complete failure.

In conclusion, Mr. Speaker, I wish to repeat that in voting in favour of the amendment to the amendment moved by the hon. member for Lethbridge, I mainly desire to stress the fact that more attention should be paid to the monetary theories of the Social Credit party. Should they be dangerous, we would then be in a position to strike back at them more effectively. On the other hand, should they contain practical elements, capable of application, we would be able to make the most out of them.

(Text):

Mr. Alan Macnaughton (Mount Royal): Mr. Speaker, I intend to deal with the pressing and vital question of Canadian airports, the

place of airports in the life of this fast-growing nation, the function of airports in our economic future, the importance of airports to the defence of the free world.

Most of us have a proud awareness of the present travel facilities provided by Trans-Canada, Canadian Pacific and other Canadian air lines. We agree with the Minister of Transport (Mr. Chevrier) "that aviation is growing faster than Canada," but how many of us get the full significance of such a statement as Ronald Keith, editor of *Canadian Aviation,* made the other day. He said:

> It is hard to realize that as recently as 1937—fifteen years ago—Canada was six days wide and relatively few Canadians had ever flown. Today, our country is only twenty hours from coast to coast, and last year nearly a million passengers flew on T.C.A. alone!

But those are only a few more facts and figures. If you want to get the full impact of what they mean may I suggest that the next time you have occasion to be at an airport anywhere in Canada, look at it closely, critically, watch the coming and going of planes, trucks, cars and people. Mostly watch the people. If you are in doubt about anything, ask the first twelve-year-old boy you come across. He can tell you better than I can ever hope to just what it means to live in a country only twenty hours wide, because you will find his main hope is that by the time he is a man, Canada will be only ten hours wide. And no doubt it will, if science has its way and provided we in this house see to it that Canadian airport facilities are adequate to meet the needs, not only of the growing travelling public but of this nation's booming commerce and industry as well.

I have suggested that you look critically at our airports, but I do not suggest that you seek only to find fault. In fact I am sure you will agree that, despite many obvious shortcomings, the picture of Canada's airport facilities is so good that we can afford to indulge in a little self-criticism. And that is not just my opinion, it is also the opinion of the world's top air travel technicians. We have come a long way from the cow pastures of not so many years ago to the 415 licensed airports of today. We have certainly progressed from the time, just after the first world war, when our investment in airport facilities was almost zero, to our present investment in airports of well over half a billion dollars.

You may say, and rightly, that much of this growth was forced upon us by circumstance. I say it is to the lasting credit of the ministry of transport that through the years it has known what it was doing, has fostered and nurtured Canadian aviation, and channelled its development along the lines of undeniable common sense, so that today we have a solid foundation upon which to build for the future, as build we must if we are to keep pace with our natural growth and with the new demands which technical aviation advances impose upon us. Jet planes are almost here, remember.

How did we make the transition from cow pasture to modern airstrip, you will ask. The answer is that the real history of civil aviation in Canada started just after the first world war, when we found ourselves with a large supply of competent pilots and engineers, a few aircraft and airports, a little know-how, and a lot of enthusiasm. In June of 1919 the Air Board Act was passed in this house. This act, now known as the Aeronautics Act, together with the air regulations, which were first passed in 1920, are the basis for the air law of Canada. On New Year's day, 1923, control of civil aviation was placed in the newly created Department of National Defence. Progress, though steady, was unspectacular. A few ex-war pilots flew the north country airways. A few small companies were organized for photographic and charter flights. Then in 1936 we formed the Department of Transport, and under Right Hon. C. D. Howe civil aviation was moved from the Department of National Defence to this new department, to be combined with the meteorological division and the radio—now the telecommunications—division to form the air services branch.

Between the two wars a start was made on the development of an air mail service to the prairies. Small emergency fields and aids to navigation at intermediate fields were established by the federal government. Larger centres such as Winnipeg, Calgary and Edmonton provided their own airports, primitive affairs by present standards. In 1937 the coming of Trans-Canada Air Lines made it imperative that these fields be improved, and the federal government undertook to grant assistance in those cases where the municipalities would and could carry out the required improvements. Where the community was too small to make any major contribution, or where for other reasons it was felt the community could not be expected to take the initiative, the federal government built the necessary airports and services so as to ensure a continuous chain of ground facilities.

The demands of the second world war caused still further improvements to be made. Municipal airports were taken over on lease and developed as combined civil and military bases. A great number of entirely new airports were built to meet defence needs. Where

possible, these were so placed as to be usable for civilian needs when the R.C.A.F. was finished with them.

By 1946 the picture of our airports had changed beyond all recognition. The cow pastures had become large, expensive and complex plants requiring closely co-ordinated effort by many specialized services. It became increasingly evident that airport activities must be considered in two lights: one, the operation and maintenance of runways, hangars and workshops, administration buildings, and so on; and, two, the activities revolving around the aids to navigation such as radio ranges and beacons, communications, instrument landing system or ground controlled approach, air traffic control—both airport and airway control—and meteorological services which can only operate by virtue of a vast and complex system of communications covering the entire country and dependent on an even vaster system covering the whole continent. No municipality could hope to bear the cost of such a tremendous, complex system.

On the subject of costs, it takes anywhere from five to ten million dollars to build a major airport providing the services I have just described. It costs as much more if you include all the buildings and services constructed by and for the R.C.A.F. at such airports.

From the very beginning it was agreed that these aids to navigation are a federal government responsibility, partly because they are part of a larger co-ordinated system and partly because the costs were away beyond the ability of individual municipalities to pay. Where the municipalities felt unable to take on the maintenance of their airports, it has been necessary for the federal government to bear the entire cost of construction, operation and maintenance.

To get the full magnitude of the picture, you must remember that in 1939 Canada had 65 land airports. Our airways extended over about three thousand miles. Something like $5 million would cover the estimate of total airport and airway facilities of 1939. Today Canada has 143 hard-surfaced airports. Air routes and airways cover more than 14,000 miles. Four hundred and fifteen airport licences are in force. The total capital value of this tremendous airport and airway plant is something like $550 million, or 110 times more than 13 years ago.

So far as the financing of our major airports is concerned, you must keep in mind that all of them have some defence value, either immediate or potential. The question is, how can these airports be made to pay. Certainly, so far as is possible, each airport should be self-supporting.

Airport activity should be divided into two parts, for accounting purposes. Part one is directly concerned with the landing, taking off and manoeuvring of aircraft. Revenue from airport landing fees at major airports, by the way, is said to be sufficiently high to cover maintenance and operating costs that can be directly assessed to aircraft activities. Part two covers the non-flying facilities such as hangars and workshops, administration buildings, equipment, garages, offices, restaurants and so on. To these a percentage of the cost of operating utilities must be charged. The problem is to increase revenue to cover the cost of facilities which cannot be assessed directly to aircraft activities.

With the exception of Ottawa and Montreal, every community of sufficient size to be expected to make any contribution toward an airport has made it. And for the record it is interesting to note that Montreal is said to derive a revenue benefit of no less than $3 million a year just because ICAO keeps its offices there. But apart from these two cities, most communities have bought the land on which their airport is now located. In western Canada, in some cases, the communities themselves have made considerable strides in airport development. So far as Ottawa is concerned, it is argued that Canada's capital city's airport should be a charge on Canada as a whole. Perhaps so, since because of its location, near defence headquarters and numerous scientific and research bodies, Ottawa airport runways are now being extended and facilities installed to make it one of the largest in the world, much larger than is necessary simply to serve the needs of a city the size of Ottawa, and at a cost far beyond the means of any one community.

Montreal's present airport, at Dorval, was developed largely to facilitate movement of aircraft to the United Kingdom during the war. Dorval, among other things, is one of the reasons why today Montreal is the aviation capital of the world, why the international civil aviation organization has its headquarters there, as has the equally important international air transport association, the agency which co-ordinates the activities of all the world's airline operators.

The picture I have painted so far has been rosy, so rosy that, as I said earlier, a little self-criticism cannot hurt us or detract from the splendid achievement of the Department of Transport through the years. But, for one thing, our very prosperity in aviation, the giant progress we have made, has flowed over us before we were really prepared for

it. Although technically our airports are among the world's best, most up-to-date and safest, and although our engineers and technicians are well in the lead in keeping them abreast of latest developments, the impression the travelling public—you and I—get in going through our air terminals is inclined to be depressingly grey. It is not a bit unusual to find a large crowd of people jammed together, milling around in a waiting room far too small to accommodate them. If they go outside to get a breath of air—that is, if customs and immigration will let them outside—the prospect is anything but pleasing. In winter you face snowdrifts and icy blasts; in summer, a monotonous sun-baked landscape. Back inside, out of the cold or dusty heat, you can squeeze in for a just-adequate meal at some of the larger airports, or drop a coin in the coke-vending machine or automatic shoe-shiner at the small places. So far as the delayed passenger is concerned, he just sits and fumes. Sometimes he cannot even sit.

But let us leave for the moment the matter of the inadequacy of our airports in the way they try to cater to public needs. Although the deficiencies are annoying enough, they do nothing to detract from the progress made. Meantime let us consider seriously the importance of air travel and transport to this country. Just a month ago the Minister of Transport (Mr. Chevrier) pointed out that he expects total revenues from our commercial air carriers this year to exceed $80 million. That is five times as much as it was in 1946. In fact revenues have been increasing at a rate of between 17 and 20 per cent for the last few years, and show every indication of continuing to do so. Mr. J. R. Baldwin, chairman of the air transport board, has pointed out:

> If rates of growth which have existed over the past three years in Canada and the United States continue—and this appears to be the case—then the faster rate of growth in Canada may mean that in virtually all fields of aviation, with the possible exception of cargo, Canada will not only be in an equal relative position but may pull ahead of the United States.

So far as future growth is concerned, it will be obvious that with our air lines and airports handling passengers at the annual rate of one for every fourteen Canadians—a million a year, that is—with half a billion dollars invested in airports, and hundreds of millions in planes and personnel and equipment in general, aviation is not just growing at the same tempo as the Canadian economy. It is, in Mr. Baldwin's words, "taking over new and additional fields of activity and has by no means reached the maximum degree of penetration of new markets."

[Mr. Macnaughton.]

In the air coach and air cargo markets there are tremendous new sources of traffic to be tapped. I hope you will not think it trite if I remind you that as our north country continues to pour forth its riches, so must our north-south feeder lines, and our east-west trunk lines, carry more and more air passengers and air cargo. In fact, without the planes you could not open up the country, and without the planes you certainly could not maintain contact once you had opened it up. So the future of a vast segment of the Canadian economy obviously depends on what can be carried through the air; where it can be set down, and in what quantities.

Consequently, traffic is increasing faster than facilities to handle it on the ground are being provided. The Toronto terminal at Malton is just managing to keep abreast of its traffic. The Vancouver terminal, also, can just barely keep up. The present Calgary terminal was converted to its present use at government expense. The federal government owns the building, which has tarpaper outside and a softwood floor inside. At the moment new terminals are being erected at Lakehead and Moncton which should be adequate for some years. At other points in the east and west, in smaller cities, the situation is not acute, even if the facilities are not completely modern and efficient and comfortable.

The main problem, of course, is how to make terminal facilities pay for themselves, especially since customs, immigration, health and the post office all take up a lot of space and do not pay for it. Also, a good deal of space must be allocated to public needs. The air services people themselves have to have space to accommodate the airport manager and his staff, air traffic control services, radio services and meteorological services. At Dorval, for example, the amount of space used by each of these government and air services adds up to 29·7 per cent. Another 25·7 per cent is unrentable, and 31·9 per cent only can be rented. The remaining 11·7 per cent is basement, which is vacant and presumably unusable. Obviously the ratio of non-revenue space to revenue space is quite high, and it seems to the experts, so far as I can gather, that as long as this ratio remains the way it is no terminal building is likely to pay for itself. Air operations pay for themselves already, as I have pointed out. In order to make a terminal pay, then, it has got to be big enough and must include enough sound commercial enterprises of a nature sufficiently attractive to induce passengers and visitors alike to patronize them.

As a matter of fact it has been proved over and over again that airport terminals can be made to pay, aside from regular air traffic revenues. On this continent the most experienced voice is that of the port of New York authority, which over the years has had to solve the financing problems involved in the provision of what are known as "domestic" and "international" air services. As you are aware, New York airports must handle traffic not only American in origin but also between all parts of this continent and from Europe. If the port of New York authority were dealing with, say, the problem of Dorval in Montreal, which is in a measure comparable to New York airports so far as domestic and international traffic is concerned, you can be sure the first consideration would be to make a capital outlay sufficient to provide all the basic facilities essential to the operation of an efficient airport. This capital cost would then be supported by the general revenue of all the air lines using the airport, as well as by the development of concessions.

A comprehensive airport plan envisages construction of hangars, shops, offices, air freight terminals and other operating facilities. The construction budget for these amenities, according to the New Yorkers, would be supported by air line and other leases so that these amenities would immediately be placed on a self-supporting basis. So far, so good. But the New York port authority's fundamental concept does not stop there. It believes that airport development, to be successful, requires the judicial exploitation of all revenue and concession areas in each air terminal. This means the encouragement, by concession, of restaurants, shopping areas, facilities for recreation and amusement, spectators' promenade, and any other development which might contribute to the support of the project and to the obtaining of net revenues.

Many of the hon. members of this house have travelled, as I have done, extensively in the United States and Europe, so I am sure they will be disposed to agree that the port of New York authority's idea of how to make an air terminal pay is not too far-fetched for Canadians to grasp. In fact, those of you who have travelled in Europe will remember that the above-mentioned concessions were extended to include such items as a newsreel cinema, cafes, restaurants, cocktail bars, conference rooms for rushing businessmen, a nursery for harassed mothers, souvenir shops, dress shops, handicraft shops—all kinds of shops—exhibitions, tourist bureaux, observation decks, and even first-class hotels. I might say that today there is room for a 200-bed hotel at the Dorval airport. The present hotel of 80 beds is totally inadequate to meet the situation.

In addition, really modern airports have such things as spur lines for the fast and efficient handling of rail freight; fully developed fringe areas owned or leased by the airport and containing busy warehouses and even factories; well landscaped surroundings, and whole communities which live by and with the coming and going of air passengers, air cargo and, almost as important, sightseeing throngs.

Yes, I said sightseers. I mean the kind of people who, a couple of generations ago, always met the afternoon train at the depot; the friendly Canadians whose instinct is to give silent welcome to the newcomer, and kind farewell to the voyageur. All they have done is transfer their affection from the railway station or the jetty to the world's modern equivalent. And then, of course, we have the youngsters. Most of them are still old-fashioned enough to be thrilled by the roar and throb of obsolescent airscrews, but lots of them have lost their hearts to the blow-torch swoosh and keening whine of the mid-century jet job and are already searching with their young minds the quiet chill spaces of the outer universe. Yes, these are the sightseers. That is one of the things I meant when, in my introduction, I suggested you look mostly at the people you will find around Canada's airports. If you think there are not enough of them to warrant attention from concessionaires consider that, during the summer months and well into the colder times, thousands of regular Sunday visitors throng Dorval, which is not easy to come by, being eleven miles from the heart of Montreal and situated in a pretty bleak setting. They come by bus, by car, by bicycle and on foot. If there were rapid transit they would come by that, too. Their object, as stated to me by my own constituents of Mount Royal, who live practically next door to Dorval, is to see the "biggest free show in town"; to see the more than one thousand passengers arrive daily, on 70 domestic flights and 14 or 15 transatlantic jumps. I can assure you, as will any of the oldtimers at Dorval, that just a little landscaping, just a little in the way of creature comfort and amusement, would bring many thousands more to this latter-day caravanserai, not only during the hours of sunshine but also during the spectacular airport night with its multi-coloured lighting effects and its thrilling rushing sounds.

Let us consider Dorval. It is an international airport in the true sense of the

word. It is the European's and the American's first ground contact with Canada and Canadian ways. But instead of the voyageur peering into the showcase of this nation—which Dorval should be—his first encounter is with jammed waiting rooms, milling with crowds; cramped quarters for health, immigration and customs, making efficient handling almost impossible whilst waiting for transfer from international to domestic flights. Although Dorval is so close to Canada's first city—a bilingual city at that—and although frequently flying schedules allow transient visitors three or four hours between flights, you have to be a real adventurer to take a chance on a run into Montreal in search of the normal amenities of civilization which are somehow denied you at Dorval. Montreal is known for good shops, good hotels, good food and drink and entertainment. Why then should a traveller have to come so near to remain so far away?

Why cannot Dorval be so reconstructed and conducted that it will do a public relations job for the nation in the short time it takes the worldly-wise traveller from Antwerp or Abadan or Los Angeles to change planes? And just as much as we want to give the non-Canadian what he wants, we must be prepared to cater to the people of our own country; and airports, we must remember, have become in these times social and cultural rendezvous of the first magnitude, the meeting place for those who travel in the modern style as well as for those who think modern thoughts. There are millions such today. Just look at our air travel figures alone. These millions could turn your air terminal into the "coin box" of your airport. Let us start with Dorval, to design our air terminals so they will present the best shop window for Canada, not only to visitors from abroad but to our own people too.

All this foregoing is not just eyewash. It is good commercial horse sense, that is all. Other countries have made it pay off. So can we, once we, as Canadians, get used to the fact that you do not have to subject yourself to the discomfort of a log cabin at this stage in Canada's development, even though log cabins were good enough for grandpa and are even good enough for a whole lot of people who are currently engaged in pushing our mining frontiers northward to the Arctic. We are an air-minded country now. Let us realize it. As my good friend Leslie Roberts says in his splendid new book "Canada: The Golden Hinge", "there are too few Canadians and we tend to live in clumps, too widely separated for our own good. The growth of population and the development of rapid internal communications is correcting this basic problem, but we still have a long way to go." But I might remind you, it is not so far for your constituents and mine to go to the local airport, and if we make it attractive enough for them they will soon make it the social and cultural bazaar it could and should be.

So much for the business of encouraging the public to support your airport. There are other sources of revenue, to be sure. There are air freight, air express, air coach service, to name a few. Most of you know that Canadian charter carriers have always carried substantial quantities of air freight into outlying areas and that air express and some air cargo has been carried in space available on main-line scheduled passenger flights. However, two recent developments are not so widely known.

First, new and larger types of aircraft, such as the Bristol freighter and Curtiss C-46 are now being employed on charter freight operations in northern Canada which, because of their greater load capacity and lower unit costs, are opening new aviation fields in these areas. Such aircraft make it possible to transport far greater volumes of traffic and provide a new flexibility to operations leading to the development of our northern regions.

Even more significant to the development of air cargo is the fact that we stand on the threshold of the introduction on a substantial basis of all-cargo scheduled main-line operations. A substantial volume of traffic has already been developed on such services in the United States. Canada, hampered by a shortage of suitable aircraft equipment up to this time, will soon be moving in the same direction. Several specific proposals for the introduction of all-cargo operations are now before the air transport board. Some idea of the general trend of development which may be expected can be obtained from the experience in the United States, where the growth of air cargo has been rapid following the expansion of all-cargo operations.

The principal advantage offered to the shipper by air freight is, of course, speed. There are, however, numerous ancillary advantages. Among the savings to the shipper are frequently reduced inventory requirements; savings on packaging; increase of sales of style merchandise which must be available for temporary spurts in sales; increase of sales of current interest merchandise such as newsreels, periodicals, etc.; savings through speedy shipment of parts which avoid production delays.

The increases in cargo traffic which undoubtedly lie ahead in the fairly near

future will necessitate substantial improvement in the cargo-handling facilities not only of the air lines but also of the airports where both materials-handling equipment and warehousing facilities will require expansion.

Another substantial development which lies in the future for Canadian aviation and will also lead to a marked expansion of traffic is provision of higher-density seating for air coach service. By the introduction of higher-density seating and possibly elimination of free meal services it may be possible to provide a reduction in passenger fares and as a consequence marked increases in traffic. Trans-Canada Air Lines and other trans-atlantic carriers introduced tourist fares on the Atlantic in May of this year and some similar trend may be expected in domestic services in due course. As a matter of fact, based on United States experience, a 25 per cent reduction in fares has been shown to produce as much as a 40 per cent increase in passenger volume. It is worth thinking about, and Canada's air line companies are doing lots of thinking in that direction these days.

It is these air coach and air cargo prospects and the steady growth of their present regular passenger, express and mail operations which have justified the orders for new Lockheed super Constellation and Vickers Viscount turbine aircraft which have been placed by T.C.A.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Macnaughton: Mr. Speaker, when the house rose at six o'clock I was dealing with the place and function of airports in our national and economic life. I had given a short résumé of how the Department of Transport, with a long-range plan in mind, had carefully and wisely developed a chain of efficient airports across the country. I was attempting to point out the next necessary stage of development, namely the need for better terminal facilities, in particular at Dorval airport in Montreal. And it was not just a question of local pride. It is bigger than that. My purpose was to show that a heaven-sent opportunity exists to do a public relations job for Canada with the travelling public; furthermore, that it would pay for itself; and that even if it did not the government still has a social job to do in that regard. I was attempting to indicate new sources of revenue and I had pointed out that air cargo and air coach services were already knocking on the door.

You are all familiar with the important work being done by the helicopter on military operations in Korea. It is also doing valuable work in Canada, performing such functions as depositing freight on mountain sides in British Columbia for the aluminum project, doing geophysical surveying in northern Canada, carrying mail in Newfoundland to outpost stations. However, the helicopter cannot come fully into its own until an economic passenger-carrying helicopter is available. The day when such a helicopter will become available in large numbers is not too far away, and there is every prospect that in less than ten years there will be regular helicopter services between some of our major cities. Such new services will present a host of new technical and economic problems ranging all the way from consideration of appropriate flight techniques over crowded cities to the building of helicopter alighting areas on the tops of railroad stations. There is no likelihood that the helicopter will replace the long-distance aircraft. It will be for transportation purposes, the short-haul adjunct to it, whose combination of slower speed and ability to land closer to the city centre will create new short-haul traffic.

The advent of the jet age will undoubtedly mean a revolution in landing strip design, for a variety of technical reasons; but the best authorities are of the opinion that it is no problem to plan and build advanced airport buildings right now. Just because a super-jet take-off strip may look like a toboggan slide does not affect the service in an airport restaurant or an airport hotel. And we had better start planning now, or the jet age will be upon us before we know it. I notice that the air line run by the C.P.R., that same company which, 64 years ago, saw the last spike—a gold one at that—driven into a railroad tie high in a Rocky mountain pass, the company which helped so much to give Canada confederation, are now saying to the world:

> Across the Pacific, Comet jetliners, vibrationless, silent, smooth . . .

It shakes you a little. It makes you remember how, when you were younger, people used to say: "Canada has got responsible government, the world's finest bridge-building company, the world's greatest travel system and world's greatest future."

Yes, as an anonymous editor wrote on the dust-cover of Leslie Roberts' vital, significant "The Golden Hinge":

> In the opening years of the second half of the twentieth century, Canada possesses a treasure trove of wealth which cannot be matched in the

western world. That wealth lies in the seas off Nova Scotia; in the forests of the north; in the giant timber of the Pacific coast and its offshore islands. You'll find it in the mines of seven provinces; in the great Alberta oil pools; in the soil of the great plains. You'll find it in the orchards of Niagara and in the valleys of the Rockies; in the waters off the western coast; in the humming factories of the heartland, from Windsor eastward to Quebec. You'll find it, too, in the Canadian people and the qualities they possess.

Yes, the Canadian people; it is they whom you should watch when you pass through your next airport. Watch them, milling, patient, curious, interested in this modern wonder, trying to be a part of it. And as you watch them, agree with me that they deserve better than they have been given by us and agree, too, that if we give them better airports we will once again prove the truth of the adage that "it pays to be modern"; pays not only in extra revenues but in an extra line of defence against those who would destroy our freedom.

Mr. D. F. Brown (Essex West): Mr. Speaker, may I add my congratulations to those of others who have spoken in this debate, to the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne. They have certainly served this house with distinction, and have brought credit upon their constituencies, and I might say also to the whole of Canada, in the attitude they have assumed in the conduct of the affairs of parliament.

I want to say a word about the licensing of radio-television sets. On another occasion I have spoken in this house with respect to radio licences, and I will not repeat what I had to say on that occasion. Suffice it to say that I am opposed to a radio licence because of the fact that such a licence is not collectable; and if it is not collectable and is paid by only a part of the population who are in possession of radio sets, I am opposed to it.

A report has appeared in the newspapers—and I do not vouch for its authenticity—that there is to be a radio-television licence fee of $15 imposed upon each radio television receiving set. In the constituency which I represent, Essex West, we have the United States on three sides of us. By reason of the geography of that part of the country we are south of the United States. Within a radius of a hundred miles there is a population of about three million people, which means that there are about three million people who would be in a position, as radio television set owners, to obtain broadcasts in the Windsor area. At the present time we have three channels of television, each emanating of course from Detroit. We have excellent reception; we have no complaints whatsoever, television reception there is probably much better than in most places in the city of Detroit itself.

Anything that I have to say, Mr. Speaker, is not in condemnation of the C.B.C. or to be considered as such, because we are well served with radio broadcasting in that area. CKLW, which is a 50,000-watt broadcasting station, serves and has served that area very well for many years. We were opposed to the licensing of radio receiving sets until such time as the C.B.C. established what is now known as radio station CBE, and my praise for that station cannot be expressed in words. It is making friends not only for C.B.C. but for all Canada. Among the three million people who are potential listeners I know there are many thousands, and the record would so verify what I am saying, who listen to nothing but that particular radio station.

According to C.B.C. policy, as announced, I understand that in addition to the radio-television stations situated at Toronto and at Montreal, there are going to be other stations at Halifax, Winnipeg and Vancouver. This does not include a radio-television broadcasting station in the Windsor area, where we have three million potential listeners and viewers. For that reason we feel there should be no taxation without a corresponding benefit to the area.

I am not alone in that thought. I am supported by several resolutions I have received. I am not going to read those resolutions in full, but shall make reference only to that from the city of Windsor received on October 17, 1951, which indicates that it opposes any system of television licence fees that may affect local set owners until such time as those owners will get the direct benefit of Canadian-owned stations. This resolution is supported by resolutions from the town of Riverside, the town of Kingsville, the town of Sandwich East, the town of Harrow, the township of Mersea, the township of Gosfield North, the township of Sandwich West, and others.

So my first point is that I do not think there should be taxation unless we are to have the benefit of C.B.C. radio-television broadcasting.

Then the report states that the licence fee will be $15. Even in these modern days I believe such a fee is somewhat oppressive. It is too high. I would recommend that, if at some later time a fee is to be set, it should be nominal.

Finally I believe there should be no tax until some means is found whereby there will be full coverage; that is to say, a time

when everyone in possession of a radio-television receiving set would be paying a licence fee. Until that time I do not think there should be any fee whatsoever.

In my view the government should be commended for adopting a careful attitude and for making a cautious approach to the subject, because I think much can be learned from mistakes made in other countries which will make it possible for us to develop this vital means of communication so that it may be used for the full benefit and advantage of the people of Canada.

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, it is of interest to all to note such concern paid to the speech from the throne. The debate has proceeded for several days, and much has been said by hon. members on both sides of the house.

I should like to join those who have congratulated the mover (Mr. Deslieres) and the seconder (Mr. Schneider) on the splendid speeches they made in moving and seconding the address in reply. They are new members. I wish for them many years of happiness and satisfaction in the service of their respective districts. It was to be expected that, as new members, they would in faithful admiration compliment the government upon what it has done, and say little about what it has not done.

I believe this debate has brought to the attention of the house and the taxpayers the signs of the times. It has given an indication of what the government has been doing, whether it is smugly satisfied with what it has done or whether it has any ideas for the future. As hon. members will agree, the speech from the throne is in the nature of a pattern or a plan for the year's business. It is not given in as much detail as one might wish, or as we may expect to see later in the budget and in legislation to be brought down.

Some say that we will see a strange type of budget. This, of course, will depend upon what those who sit to the right of Mr. Speaker intend to do in the next twelve months. We must decide for ourselves, when we have heard what might be called boasting about our greatness, our great natural resources and the prosperity we have enjoyed, whether these conditions are basically sound, or whether they are the result of a post-war development, or the result of preparations for another war.

In any event there is no one in the house, and few in the country, who would view without a keen sense of pride the fact that Canada, a country offering the greatest opportunities of any country in the world, has made great progress. While the United States of America may have increased its trade sevenfold in the last few years, Canada has increased hers fourfold. No similar number of people in the world enjoy the advantages of greater resources than we do.

However, I sometimes wonder if it is not important, either in one's private business transactions or in the transaction of public business, to stop, look and listen, even when things are going well. There never has been a time in the last several years when it was more necessary to stop and consider the basis of the prosperity we are now enjoying. In other words, I say this would be the proper time for stocktaking in this country. There is a feeling of uncertainty among business people. There is excitement among labour; there is unrest in agriculture; there is concern among military people. All across Canada people are asking themselves: What about tomorrow? I often wonder if we are not prone to become hypnotized with the type of prosperity brought about either by the war through which we have passed or in preparation against another war. I think of the millions and millions spent on the war that is past, and the millions being spent to prevent another one, and sometimes I wonder if we should not ask ourselves what will happen in the days ahead.

We have heard many rumours about state planning, but there seems to be very little preparation made for days of peace. I have always felt that we should put first things first. While I have been in the House of Commons a considerable number of years, I do not think I could be called a reactionary, because I have suffered reverses in politics for being too much the other way.

No one has greater sympathy than I have for the man who needs assistance. I could not have remained as long as I have in public life had I not recognized that need. But, in all sincerity, I say we should stop and be prepared to put first things first; because no matter how anxious we may be for social security, our first need is national security, and that national security depends upon financing, development and expansion. National security depends upon economic soundness in this country. I say again that it does not matter whether the Liberal party sitting to your right, Mr. Speaker, is in power, or whether the reins of office are held by the party to your left; the fact remains that national security is of first importance.

I do urge that we work for a common purpose in this house. No matter how bitterly hon. members from the other side castigate the leader of our party, no matter how bitterly they castigate some of the things of years ago, we have many things in common. I say

it is with common pride that we think of the great resources of Canada. It is with common interest that we speak about the great advances we have made. It is with a common thought that we talk about our magnificent future and our great resources. But I often think it is not always with common tactics that we try to approach these things.

After all, a popular political appeal is not always sound statesmanship, any more than popular learning is sound logic. There are all too many who seem afraid to face the future. There are all too few who seem brave enough to say what they think should be done. I sometimes become alarmed when I think that we are building up prosperity on war preparations. I see dangerous trends, and I know every hon. member of this house also sees them. Signals are being disregarded, storm warnings are ridiculed.

We must realize that this country is being overtaxed. I believe the Prime Minister (Mr. St. Laurent) has said it was only pretended overtaxation, pretended by the opposition. But I believe in the same speech he said that in one or two instances they might save only $3 million anyway, and he said that if it was all added together they would not save any more than $100 million. This indicates the trend of the times. It shows that a government in power is disregarding some of these fundamentals.

I ask hon. members to realize that today we are paying in taxation $320 per person or $1,600 for every average family of five. Realize what that means to the average home. We are paying in taxation today to this government twice as much as we pay to feed the whole population of Canada, and an amount almost equal to what we pay for food, clothing and housing.

I know that progress knows no retreat. I know that we have made no more advance along certain lines than they have made in the United States of America. I know that following the first great war there was tremendous advance until 1929 and 1930. It was to be expected that following this last world war there would be a great improvement in our prosperity. We are blessed with rich resources in the form of gold, silver, nickel, copper, asbestos, every form of base metal you can think of, plus iron ore and oil. In addition we have our great agricultural wealth, our forest wealth that exports more than all our base metals and wheat combined. These things are great blessings.. We could not help being prosperous in times like this, no matter what party was in power. When I hear hon. members tell of some panacea they have which has made this country prosperous in the last few years I am absolutely amused at their nonsense. Even with the folly of our friends down in the far corner we would have had great prosperity in the last few years anyway. You could not have avoided it. The world was at our feet; great resources were at our hands. The Lord never gave so few people so much. You could not help but have prosperity.

What has the government done to bring about this prosperity? They have increased taxes and practised extravagance such as we have never known. I am not going to relate them now, but surely in the face of what we have heard in the last few months no one can say that the government are the great apostles of economy. You do not buy half a dozen raincoats for each girl in the service if you are trying to economize. You do not even buy them for your own girls.

An hon. Member: Speak for yourself.

Mr. Rowe: You do not buy a million and a half pairs of shoes for 100,000 men in active service if you are trying to economize. You do not pay wages to horses up in Petawawa if you are trying to economize, such as we see reported in the evening paper. In fact, I have a lot of horses and I think they would earn more for me up there than any place else.

An hon. Member: Your horses never pay off.

An hon. Member: Not when I bet them.

Mr. Rowe: I am not endeavouring to ridicule this government, not for a moment. If I were I would speak much more vigorously. In all seriousness I urge all sides of this house to figure what is happening and to pay some attention to the warnings being given. They are the signs of the times. If the government in all its smug complacency has not seen these signs, I ask them to talk to the apple growers of the east, to the grain and fruit producers of the west, to the lumbermen on the coast, to the cheese makers of Ontario, to the cheese producers of Quebec, to the poultry producers of Ontario, to the dairy farmer in Ontario, to the beef cattle people in Ontario.

An hon. Member: Nothing wrong with the beef farmer.

Mr. Rowe: That shows that you do not know anything about the beef industry. For the benefit of my hon. friend who was not here at the time I should like to quote what happened on October 21, 1949. I know he will be glad to hear it. I quote from page 1023 of *Hansard* of that date, where I am reported as follows:

> In order to assist the government to try and open up greater opportunities in this country, to

try to broaden the basis of taxation and to try to have our great resources flourish and expand so that the people can get the most out of them and this country reach her destiny, in order to assist the government in that and in safeguarding our economic security and progress generally, I beg leave to move, seconded by the hon. member for Danforth (Mr. Harris):

That was seconded by the late Mr. Joseph Harris, who I regret is not here today. My amendment was as follows:

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

"This house regrets that the government has failed to take effective measures to prevent the present decline in our trade with the sterling area and is of the opinion that the government should consider the advisability of inviting the nations of the commonwealth to a conference in the immediate future for the purpose of working out arrangements to preserve and enlarge those traditional markets on which jobs and opportunities for Canadians very largely depend."

That was in 1949. At every session since some hon. member of this party, and on two occasions our leader, has urged the government to initiate a British commonwealth conference. It is now history that it was with reluctance that Canada joined the conference which was initiated by the old land and Australia and New Zealand. At one time we of the opposition were not sure, because we were not told whether the Prime Minister (Mr. St. Laurent) and the Minister of Finance (Mr. Abbott) would attend. When the Minister of Finance comes back optimistically impressed we are very glad because, as an hon. member said the other day—I believe it was the hon. member for Kamloops (Mr. Fulton)—this conference is now three years late. What has happened in the interval? Why, Mr. Speaker, we have lost our markets in that land for almost every commodity I have mentioned. We have lost that market for apples and we are selling that market less cheese than we have ever sold in half a century.

An hon. Member: No cheese at all.

Mr. Rowe: No bacon, no cheese, no beef. We are just written out of that market for about the first time since before 1900. Remember, Mr. Speaker, we sold Britain 110 million pounds of cheese in 1900.

Mr. Gibson: Why did we not throw you in as a bonus?

Mr. Rowe: Well, they might have been glad to have me, but I do not think that they would have paid much for you.

I am not going to be interrupted on something as important as this is by any remarks that are more noisy than relevant. I do say, Mr. Speaker, that it is time we took stock. I am not going to try to say that, if times should continue as they are, this government could not sit smugly by and do as they are doing. The western farmers have suffered to the extent of $750 million through the folly of your socialistic experiments in marketing wheat. You have oleomargarined the dairy industry until you threaten to shatter the very cornerstone of agriculture. You have been stocking pork so fast in the last few months that I do not know whether you have packed 65 million or 90 million pounds of bacon. I know you have lost $5 million of the money of the general taxpayers of this country already.

In spite of all this, Mr. Speaker, what has the government done? What is the state of planning for agriculture? What has this price support plan of the government, this socialistic approach to the great agricultural industry, meant to this country? Somebody says it has not hurt beef at all. Well, I am still in the beef cattle business and I know very well the price dropped $2 to $3 per hundred over the week end, and that certain classes of cattle dropped 50 per cent in the past year. The very best steers have dropped 35 to 40 per cent. Can any of you men in industry or interested in industry tell me what you would have done if the price of your product had dropped 35 to 50 per cent in the last twelve months, if you had to meet union labour negotiations? What would you do? The farmer in the beef business has seen his returns drop by from 35 to 50 per cent.

You may say he does not have to meet union labour demands. No; he says to his wife: I am sorry, darling; you will just have to take the hired man's place. We will have to take Sally out of school and Johnny out of university, and we will probably have to work more hours per day. Despite these facts, you may say; what can you do about it?

Well, Mr. Speaker, in the face of the fact that we are selling no beef, we brought into this country 13,752,000 pounds in the first eight months of 1952. When we are packing bacon at the taxpayers' expense why did we bring in 7,435,000 pounds in the last eight months? When we are selling only 1,214,000 pounds of cheese, the least we have sold in almost 70 years, why did we import 9,716,000 pounds while the cheese factories from coast to coast are closed up?

So, Mr. Speaker, if I have been cruel in saying this government has done nothing to plan for the peace, I pray to God that they have done more to prepare against a war which God forbid should come. Perhaps they have been too busy. Perhaps the leader of our party was right the other day when he said you could have done this or that; perhaps the Prime Minister (Mr. St. Laurent) was right when he said that if his ministers

and deputy ministers had had time to look things over they might have saved some money. If the cabinet ministers and their assistants had taken the warnings seriously they might have said: Maybe we are not right all the time. Perhaps we had better look at what the opposition says. Perhaps the Leader of the Opposition (Mr. Drew) was right when he said we were going to lose our markets overseas. They came to scorn but remain to adore—

An hon. Member: Who adores George Drew?

Mr. Rowe: I will tell you that after the next election there will be more who adore him than will adore your leader. Mr. Speaker, I do not mind telling you that you cannot carry on that personality business of who adores whom. The taxpayers of this country —the farmers, the cheese producers, the apple producers—will say: Here, independent of what these fellows say about personalities when they have nothing else to talk about, what is the policy? They will say: Who is the man who first said we should have had a British commonwealth conference? Who is the man who said that we should lower taxes?

Yes, Mr. Speaker, the farmer of Canada is rapidly becoming the victim or the guinea pig of these novel socialistic experiments. It is all very well, Mr. Speaker; unless you watch the markets in advance one fails to see just how fast they are lost.

Mr. Decore: What do you want? Protection for Ontario?

Mr. Rowe: No, I want to protect you, because nobody needs protection more than you do. We have heard from both sides of this house for many years that agriculture is the basic industry of Canada. Despite the uncertain future for the farmers—and there are less people engaged in agriculture now than at any time in the last quarter of a century—despite the fact that the warehouses are filled with bonus bacon, the government now fixes a price that threatens temporary bankruptcy for the whole hog industry in Canada.

The other day I asked an old farmer who is in the hog business very extensively what he was going to do. He said: "I am going to sell my brood sows and vote Conservative." I said I could not blame him, because there is no profit left. The Minister of Agriculture (Mr. Gardiner) laughs but he was a hog producer at one time, and I must give him credit for knowing something about feeding hogs.

Mr. Gardiner: I am not selling mine.

Mr. Rowe: No, but I expect yours are sold in advance.

Mr. Gardiner: No, they are not.

Mr. Rowe: I know and he knows that the price he has fixed for hogs leaves the farmer, if he keeps books, perhaps $1.20 but—

Mr. Gardiner: We have not fixed a price for hogs. We have fixed a floor.

Mr. Rowe: Nobody has meddled more with the farmer's business since confederation than the present government.

An hon. Member: Thank God for that.

Mr. Rowe: We now have a situation that is beginning to reflect its effects all down the line. Why were 2,500 men recently let out of the farm implement industry? Why are there so many unemployed in your textile industry in Quebec and in other places, too? Mr. Speaker, it is just as sure as it has always been, that if you threaten the stability of the great agricultural industry of Canada you endanger other industries that are very important. You cannot continue to haphazardly tax people as you are doing and pay as little attention as you have to long-term marketing.

I do not believe anyone worthy of calling himself a Canadian is going to worry about the taxes he is paying to prepare for defence. God forbid that we should have a war, and I would co-operate with the government in every way I could to see that we were prepared to avoid a war. I think that is sound. I think it cuts right across race, creed and politics in this dominion. We cannot afford to go into that destructive enterprise again if it can possibly be avoided. If it can be avoided, I do not believe there is any reason why we should expect a period of depression, merely because the danger of war is over. That is no reason.

Following the last great war, Mr. Speaker, we had a similar period of good times from 1918 on. There was a slight depression in 1921 and 1922, just as there was a little bit of a fall in 1946-47, but it bounced right back. We have had a great post-war shortage of civilian goods, and then the requirements for preparation to avoid a war. This year we are spending $4,800 million. While we are doing that, we should not forget some of these fundamentals.

The leader of our party has shown you the signals on scores of occasions. He has issued the warnings as solemnly as any man could issue them to you. He has told you of the hopes and chances of converting exchange. This was laughed at by hon. mem-

bers across the line. Since that time I find that at the recent conference in England the leaders of the commonwealth are saying now that convertibility of exchange is fundamental. I see now that in the United States the new president has made the statement that convertibility of exchange looks as though it is the answer. When the Prime Minister (Mr. St. Laurent) comes back filled with optimism, I hope he remembers that the commonwealth conference was suggested by the Leader of the Opposition. I hope he remembers that convertibility of exchange was suggested here by our leader and ridiculed by those who sit opposite.

Mr. Sinclair: How?

Mr. Rowe: Because you laughed it off. The only time you will take it seriously is when we see someone else saying the same thing overseas. Nothing has been done by you to bring about convertibility of exchange or encourage a conference. All you have now is the generalities of a conference. I notice that at the conference it has been stated that we must restore confidence in the competitive system. This is most encouraging, Mr. Speaker, to see economists and politicians in the world veering again a little to the right. It is most encouraging now that these signals are on the horizon to illustrate that, after all, the people realize that we have a system that has maintained this prosperity and has seen us through two wars. Do not let us get away from the fact that even now the burden of defence preparation must be carried by the industrial and business life of this country to a great extent.

If we are going to have immigration, as we should have; if we are going to have the 75 million people that we will have if we maintain our present rate of increase for 25 years, then we must have something for them to do. You cannot find work for men to do if you cannot find money to risk in industry. There is no panacea yet. We have seen countries follow socialism and socialistic trends. We have seen them take all the tax money until there was only one cent out of the dollar left. We have seen those countries collapse. Canada now takes from corporations in taxes two dollars for every dollar that is left for the shareholders. Only eight cents is left now out of every dollar of income for new investment in Canada. We wish to have people come to Canada, and this country should have 75 million people. The late Sir John A. Macdonald, who was quoted this afternoon, and the late Sir Wilfrid Laurier—I understand from people who knew them personally—both privately believed that we would have 75 million people in Canada before 1960.

We have not done very well. The Lord has been good to us. We have been given bountiful resources. If we had not had them we could not have withstood the type of government we have had in the last 25 years. A lot more could be done, but it cannot be done unless we sit around a table in a business-like way. I am not saying, Mr. Speaker, that we are going to have a depression. I am only saying that this government has done nothing by way of economy, nothing by way of long-range policy for marketing our production; nothing by way of encouraging free enterprise in order to help stabilize a sound, normal prosperity in times of peace. The Liberals have talked about being the free enterprise party. As I said before, they have almost socialized the greatest industry in Canada, the wheat industry. They have state control of the gold industry. The government has asked the weekly wage earner to help pay the farmers for the losses they have incurred as a result of the government bacon policy which lost the British markets.

I have been in the house for some time, Mr. Speaker. It sounds to me very much like the same old story that I recall back in 1927 and 1928. You will find in *Hansard* for 1928 where I urged upon the government that they were losing the British market. In 1921 we were selling Britain 255 million pounds of bacon; but in 1930, when the party that sits to your right, Mr. Speaker, went out of power, we were selling Britain none.

Mr. Robertson: What did you do about that?

Mr. Rowe: We were selling many millions of dollars worth.

Mr. Robertson: Hogs were $3 a hundredweight.

Mr. Rowe: My hon. friend was not here in those years, and I am not sure he would have understood if he had been. We lost our British markets for cheese and bacon.

Mr. Robertson: And you lost it for wheat.

Mr. Rowe: You lost the wheat market before our party came into power. That is the oldest-fashioned political dogma that has been preached in this country for a quarter of a century. It has been worn very thin. There is no one who knows what happened who does not know that every elevator in Canada was filled to capacity with unsold wheat and our markets in Britain were lost before the Bennett government came into power. Ask the bacon producer today; ask the dairy man today if there was anything during that five-year period that did as much to bring back our markets as the imperial conference of 1932. Those conferences, Mr. Speaker, were not encouraged by Australia

or New Zealand; they were encouraged by Right Hon. R. B. Bennett. The opposition on the other side—

Mr. Gardiner: That is why they are not selling any apples in Britain now.

Mr. Rowe: Your predecessor, Hon. Mr. Motherwell, was the only one of your party who supported it. Mr. Speaker, he restored the markets that were lost. George Drew, if elected—as I believe he will be—will restore the markets you have lost.

Some hon. Members: Oh, oh.

Mr. Rowe: He laughs best who laughs last. I am telling you, Mr. Speaker, that this country knows that for three-quarters of a century the best market for agriculture, both east and west, has been in the old land. We know that we have often been cut off from the United States market. They are great friends and great markets when the market is high. You know what happened. The Minister of Agriculture knows—if some of the younger members have forgotten or never knew—that we were cut off overnight in 1921 and 1922 by the Fordney-McCumber tariff. Nobody knows that better than the Minister of Agriculture. We were cut off overnight in 1929 by the Hawley-Smoot tariff; and you are cut off now, and you may often be cut off, from a country which produces the same type of products we produce, whenever they have a surplus on their own markets.

But we should never have lost the British market. It is all very well to say they have not money enough. We must have policies that will find ways to convert this currency. Our leader, George Drew, has been mentioning them for two or three years.

An hon. Member: What are they?

Mr. Rowe: He has told you but you would not listen.

Mr. Speaker, I believe my time is up.

Mr. Graydon: You've got them going; keep on. Even fisherman Sinclair is going.

Mr. Rowe: Mr. Speaker, I am not sure about my time.

An hon. Member: You have plenty more.

Mr. Graydon: Tell them a few more things.

Mr. Speaker: I may inform the hon. member that I believe he has four minutes left.

Mr. Rowe: Within those four minutes, Mr. Speaker, I hope I can still amuse those who can only be amused, and can interest those who are concerned. I am convinced that these issues are important. There is no man worthy of a place in this house who cannot see the signs and signals after they have been pointed out so often. I can only say if my experience in this house or any place else is of any use, if this country is going to be sound in itself and to restore those fundamental strengths that are necessary, we first must economize and cut out this ruthless extravagance. In the second place we must reduce taxation wherever it can be reduced, if we are going to have investment capital and what is necessary to create employment in this great country.

Again, Mr. Speaker, the government must hand this country back to the people rather than try to get control of everything. May I urge upon the government that their recent steps in government control or state management in television be reconsidered. Why, Mr. Speaker, it is neither public ownership nor private ownership. It is a mongrel concoction that is not worthy of either.

Mr. Harkness: It is a mess.

Mr. Rowe: It is public ownership where you can make money and private ownership where you cannot make money. It is public ownership where the people do not need television and private ownership for the poor person on the back concessions who cannot get it. Mr. Speaker, I was never much of an apostle for public ownership, even in the party to which I belong—and they have done something in the way of public ownership in Ontario and other places—but I would be ashamed of a policy that was neither one nor the other. I would be ashamed of a policy that mocked one, imitated the other and was worse than either.

In the interests of free enterprise and in the interests of individual initiative and all that is concerned in the traditional principles of our development, I would urge the government to have another cabinet meeting. If they have not time to count the millions they have lost or spent, then I would urge them to have another cabinet meeting, revamp their television policy and make it look like Canada; make it look like the free-enterprise policy which Right Hon. Sir Wilfrid Laurier initiated and which has been scuffed around since then until it cannot be recognized even by them.

I would urge the Minister of Agriculture—and he is not all to blame; in fact I think he is about the best, if that is any compliment to him—and the balance of the members of this government to take their hands off the farmers' business. Let me urge them to take their hands off this international trading and give the country back to the people. Take your hands off private enterprise. Give the people an opportunity. If you give the people of this country opportunity, you will find that you will not need to give so much relief.

You will find that if you pursue policies which give assurance of employment, you will not have to give so much insurance against unemployment.

Mr. Speaker: May I inform the hon. member that his time has now expired.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, I had not intended to take part in this debate and I would not have done so had it not been for certain incidents which happened earlier in the day and which I feel call for an immediate reply.

During the morning sitting we had tabled in the house the report of an investigation which had been carried out with regard to certain losses and thefts which occurred at Petawawa military camp. It will be recalled that earlier in the year the government had decided to appoint a commission headed by a well-known accountant from Montreal who was also thoroughly conversant with the administration and organization of the Department of National Defence because at one time, I understand, he had been a deputy minister of that department.

This report was submitted after a long and thorough investigation. It was early in the year that Mr. Currie was asked to carry out his investigation; and in his report he tabled the telegram which was sent confirming a previous telephone communication in which he was asked to investigate not only Petawawa but other military establishments where already there had been indications of loss and theft. That was many months ago, and it was only after continual insistence by the leader of Her Majesty's loyal opposition that this report was finally tabled.

You will recall, Mr. Speaker, that on December 1, the leader of this party rose and asked if a report had been received or if Mr. Currie had submitted any report, and that an answer was given by the Minister of National Defence (Mr. Claxton). I am sorry that it is impossible for the minister to be here today. He is out of the country on important government business. The minister gave an answer which is to be found at page 203 of *Hansard* and which is as follows:

> I have not been in touch with Mr. Currie myself for some time but I am informed by the deputy minister that he has been in touch with members of Mr. Currie's staff, and that it is expected that the report will be available within the next week or two.

Then the Leader of the Opposition (Mr. Drew) said this:

> Mr. Drew: As a supplementary question, may I ask whether the government has received an interim report?
>
> Mr. Claxton: No.

Again on December 4 the Leader of the Opposition renewed his request, asking for information as to when this report would be tabled, and he used these words, as recorded at page 321 of *Hansard*:

> I ask whether, since Mr. Currie's appointment was announced on April 21, 1952, he has received any positive recommendations from Mr. Currie in regard to the subject matter of his inquiry, in writing or orally, and if so is the minister prepared to convey to the house some information as to the nature of the recommendations which have been made?
>
> Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, since Mr. Currie's appointment I have seen him about this matter on one occasion only. That was when he was in national defence headquarters carrying on his inquiry. I asked him to see me and he did. I then asked him if he was getting all the information that he wanted and he said he was. I told him that if at any time he wanted further powers or more information such would be made available to him.
>
> I have had no other communication of whatever kind with him.

These were the words used by the Minister of National Defence. Subsequent questions were asked on December 8 of the associate minister, and later of the parliamentary assistant. You will notice that a flat denial was given by the Minister of National Defence that there had been any interim report; that he had had no further communication other than that brief conversation, which is reported, with Mr. Currie. One cannot help expressing amazement, when one reads the first page of the report which was tabled today. At the bottom of that page appears these words:

> It should be noted that interim suggestions made by me during my investigation have been already seized on, and important reforms are already being carried out.

Mr. Dickey: Hear, hear.

Mr. Pearkes: We are glad these reforms are being carried out, but how does that fit in with the statement of the minister who says that he has had no reports, who says that neither written nor orally had there been any recommendations made by Mr. Currie?

Mr. Dickey: He did not say that.

Mr. Pearkes: I have just read that. You must have been asleep. You look up the page.

Mr. Dickey: Read it again.

Mr. Pearkes: If the hon. member will look up the page he will see that I quoted exactly the words which were given by the Minister of National Defence. We are getting rather tired of these noes. Earlier this session I had occasion to call attention to another question, when I raised the point regarding certain censorship which was being carried out at an airport on the west coast. I was told no, there was no censorship, nothing of the kind,

nothing whatever, no form of censorship; yet the next day it appeared there was a censorship of a type. True it was not initiated from the minister's office, but one of the officers of his department did impose a censorship. It is too easy; they are too quick to say no. We are being told no all the time without any attempt to find out what is the correct information.

I said on that previous occasion that the minister obviously did not have the full information. I do not think the minister did have the full information at that time. This report is signed on the 26th day of November. The references I have mentioned start on the 1st day of December; and we are told no, there have been no recommendations. Yet in this report, which is signed on the 26th day of November, Mr. Currie calls attention to the fact that his interim suggestions have been seized upon, and that improvements have been already introduced.

All this is following just the same pattern which occurred when the Mainguy report was brought in. The Mainguy report was delayed for a long time; then the Minister of National Defence rose in his place and said he was pleased to be able to inform the house that the majority of the recommendations contained in the Mainguy report had already been implemented. I suppose somebody on the other side will rise in his place and say that the majority of the recommendations of the Currie report—and there are a great many recommendations in this volume—have already been implemented.

No doubt the lapse of time since the 26th day of November, and the lapse of time between these interim reports or the interim suggestions which obviously were submitted, and when this report was tabled gave plenty of opportunity to implement many of the recommendations which were made at that time.

The report goes on—and I am delighted as an old soldier to see that—in glowing terms to give credit to the rank and file of the army. Soldiers are not criminals. Soldiers do not thieve and pilfer naturally. Here and there there may be a case, as apparently there were a few limited cases at Petawawa. The door has been thrown wide open by this government by reducing the standard of education of the personnel who are enlisting so that it is below the standard which existed during world war II, a standard in which the educational requirements of officers are only those of junior matriculation. That is no standard to be required for an officer to hold the Queen's commission. It is a very definite lowering; and when you get that standard of education lowered, when you throw the doors wide open it is inevitable that here and there you will find somebody not worthy of wearing the Queen's uniform will be enlisted. The general run of the men in the army today are just exactly the same as they have always been, good, honest, straightforward fellows; and you will find that in this report Mr. Currie emphasizes that. While he finds it necessary to call attention to lax controls, poor discipline and dishonest persons, he goes on to say that the opportunities existed in other places than at Petawawa, but they were not taken advantage of. These are his words, and I want to repeat them. I want to place them on *Hansard* because I think it pays a glowing tribute to the rank and file in the army.

> It is mentioned in this context chiefly for the purpose of praising the personnel at other depots for not walking through the door which a fundamentally loose situation had opened before them.

There were the opportunities, owing to this fundamentally loose situation, owing to the lax system; owing to the faulty organization the door was wide open, but the soldiers in the majority of cases did not take advantage of that loose situation.

Then one is surprised to find that it was not at the request of the Department of National Defence that these investigations were carried out or, I should say, that these facts were first brought to the attention of the government. Although there was supposed to be an organization of supervision, of inspection and of general security in these camps, the first information, or the information which prompted action—and I correct that word because I will come to the matter in a moment—the information which prompted action was in an anonymous letter sent to the commissioner of the Royal Canadian Mounted Police.

Then it is very interesting to note on the next page that, after Mr. Currie has quoted that letter, he goes on to say that internal warnings have not been lacking in the Department of National Defence. The chief auditor of the department had performed his functions conscientiously. Time and again he had reported unsatisfactory conditions. Surely the administration of the defence forces, surely the deputy minister, surely the minister himself must have seen the reports of the chief auditor, who reported that conditions were unsatisfactory.

Then he goes on to refer to appendix B, a truly frightening document which gives a list of the numerous headings, setting out points which the chief auditor of the department has had to call to the department's attention, and pointing out instances not only at Petawawa but all across the board, in all

the different camps where irregularities had occurred. Then Mr. Currie goes on with these words:

> Aside from reports being delayed for considerable periods of time the record shows the next audit revealing conditions similar to those previously reported, and in some cases worse. The process is then again repeated.

There has been no proper supervision—not supervision from the junior officers, because the junior officers do not see the chief auditor's report, but supervision from the government, supervision from the Department of National Defence, supervision from its headquarters right here in Ottawa.

An hon. Member: What about the general staff; what do they do?

Mr. Pearkes: I am not the least bit concerned as to what branch of headquarters is responsible for checking the chief auditor's report. I should think the heads of all branches would be very much concerned with that. And the heads of those branches would undoubtedly have reported to the deputy and to the minister.

Then it goes on to describe some of the losses and thefts which occurred. I am not going to read all these various items which were removed from Petawawa camp. It is an amazing list. One is amazed, simply amazed, that it was not possible to have checked up on the removal of some of these articles. Metal, for instance. It consists of serviceable materials such as kitchen ranges, cannon heaters, shower stalls, sinks and the like. Some of that material was recovered; most of it was recovered. Then the report gives one striking example—and one cannot help noticing this—of a large quantity of rails belonging to the Canadian Pacific Railway being removed. And, Mr. Speaker, this is not rumour; this is the report of Mr. Currie. A large quantity of rails of the Canadian Pacific Railway was removed. When this loss was noted by the C.P.R., and questions raised, a spur line of the Canadian National Railways running into the ordnance depot was taken up and the rails used to replace the missing C.P.R. tracks. Well, if it was not so serious, one could not help laughing at the thought of individuals going out and stealing the rails of one company and then, because questions were asked by this private company, saying, "Oh, it is quite easy to take the Canadian National siding, and put them back"—so that, no doubt, the C.P.R. then might be satisfied.

Mr. Rowe: They thought the government would not notice it.

Mr. Pearkes: They thought the government would not notice it. Quite obviously the C.P.R. did notice it, because they started asking questions. One might assume that there was better supervision by the C.P.R. over its equipment than there was by the government railway over the equipment belonging to it.

Then we go on to the item which states that horses were hired by army personnel and placed on the payroll under the names of non-existent labourers. Well, I have heard labourers called some names, but I have never heard them called horses before.

Mr. Graydon: Did the horses file income tax returns?

Mr. Pearkes: Then it goes on to refer to various other articles which were removed, and it says that their final destination cannot now be accurately traced. It then goes on to point out other irregularities, how various equipment was made for army personnel, including boats, desks, chests of drawers, coffee tables and, in one instance, a child's rocking horse, all of which were used for private purposes.

Then it points out that expenditures were made for the damming of Tucker creek, for which no authorization was provided. Another example is given in the unabridged edition of this report, but the paragraph has been removed from the revised edition which has been issued. Private and improper sales of gravel are pointed out, and a large number of other things such as contracts for laying sewer pipe, and so on.

It sums up the losses in this way:

> These, then, represent the ascertained cases of irregularity at Petawawa. How many more there may have been will never be known. It was apparent from the beginning of the investigation that the accounting records were in a chaotic condition and would be of little use in determining the nature and extent of irregularities. It is impractical, and perhaps impossible, regardless of the time which might be spent on examining records, to try and determine by this means the amount and value of the deficiencies.

I do not think one could possibly find a report which could be more—well, I was going to use the word "damning", but that is not parliamentary—which could be more critical of the system of accounting and supervision than this report has been.

Again, he says:

> No reliable estimate of the total loss can be prepared.

It does say that it is contemplated that the total was not a tremendous amount, but Mr. Currie says:

> My view would be, however, that the generally lax administrative situation would give rise to waste and inefficiency far more costly in loss than that covered by actual dishonesty.

There again is a most critical sentence. It may be that there has been great loss through theft and pilfering, but the loss which arises through waste and inefficiency is far greater than that caused by actual dishonesty. Yet we have been told over and over again by members on the other side of the house that there is no waste, that there is no extravagance, that there is no duplication. Here we have independent criticism. Here we have a report by a man who is recognized as having the highest possible character, which points out that the loss caused through inefficiency and waste may be far greater than the actual stealing which took place.

It is not entirely the fault of the regulations. On page 12 Mr. Currie says that the system, had it been enforced, was a satisfactory and good one. But it had not been enforced. Who is responsible for seeing that the regulations which are laid down are enforced? Surely it is the personnel who are at the top, at the head of this Department of National Defence. They are responsible for seeing that the orders they issue are properly enforced.

Then we come to a list of some 33 headings under which irregularities have been noted. I shall not read this long list, but I will make the observation that in the abridged edition of this report no mention is made of overexpenditure.

Then we find that there has been a failure in security. Certainly security is the duty of the general staff. The general staff are responsible for security. The report states that in addition to the serious collapse in security there was little to prevent or to detect organized plundering of military stores on a systematic scale, though apparently comparatively little of it took place. Then Mr. Currie goes on to say that he takes a serious view of this breakdown, that is the breakdown in security. Then these words are used by Mr. Currie:

> If it is easy to pilfer military stores, then, by the same token, it is easy to sabotage military equipment.

What is the use of spending hundreds of thousands of dollars on civil defence if right in our own military organization there is a breakdown of security which would permit or allow the sabotage of military equipment?

Then Mr. Currie goes on to try to explain some of the reasons which may have led to this breakdown of administration, this breakdown of accounting, this breakdown of supervision, this breakdown of security. He attributes it to the tremendous and sudden expansion of the Department of National Defence and the army works services, and its activities brought about by the Korean war and by the large-scale defence program involved in carrying out our NATO activity.

Time and time again I stood up in this house during the years from 1946 to 1949 and warned this government that they were reducing their military organization far below any standard which offered a reasonable degree of security or a reasonable degree of protection against the possibility of another war breaking out. I warned over and over again that there was a too-hasty demobilization of government stores, a too-hasty demobilization of key personnel, a too-hasty handing over to a new generation of soldiers who had had no experience in administration.

We demobilized our stores, we demobilized our key men, we got rid of our equipment so that when the threat of Korea came and it was necessary for us to expand our forces to meet our NATO obligations we had this unseemly rush, this frantic organization to find new camps, to build up equipment which had been sold for a song, to provide stockpiles of that sort of thing. What was the result? The inevitable result was the breakdown in the administration of our forces.

As one goes on through the following pages he notes that Mr. Currie refers to the sudden rearmament and the lack of an attempt to reorganize for the tremendous expansion. The need for the tremendous expansion was brought about because in those days we had so hastily got rid of our essential services, our essential personnel and our essential equipment. On page 17 of the report we find a criticism which strikes right at the root of our defence organization. These are the words that Mr. Currie used; they are not mine:

> The situation was complicated by still another factor. The Department of National Defence including the army works services was largely staffed and manned by men whose military training had been received in wartime. Its establishment and administrative practices reflected more clearly the urgent needs and exigencies of war, when speed is everything and costs count not at all. The carry-forward of this war psychology must be coupled with inadequate training and resultant ignorance on the part of personnel of their administrative duties and responsibilities. There was, in addition, indifference and reluctance on the part of military personnel to concentrate on administration to the degree required. It was not perhaps unnatural that these latter needs were largely forgotten or deliberately overlooked as soldiers gazed forward into the unknown consequences of the Korean outbreak, and foresaw still greater wars not very far away. But, if this spirit permeated the lower echelons of the army, it is more difficult to condone the same attitudes higher up.

I understand that the unabridged edition of the report said at the top or thereabouts, or words to that effect.

Mr. Knowles: "At or near the top".

Mr. Pearkes: Thank you. The unabridged edition said "at or near the top". The top is the Minister of National Defence, and the responsibility rests with this government. It does not rest with the soldier. The slackness or inefficiency started at the top—inability of people at the top to realize their responsibilities to this nation in safeguarding and checking extravagant expenditures. They still had the war complex where money counted for nothing; where there was no need to check on expenditures.

To continue with Mr. Currie's report, he says:

> But, if this spirit permeated the lower echelons of the army it is more difficult to condone the same attitude at or near the top. There, a higher degree both of intelligence and responsibility is essential. It was not present in the degree required.

Time and time again we on this side of the house have been urging the government to check these extravagant expenditures. We have been told time and time again that there is no extravagance, that there is no waste, that there is no duplication.

I commend the reading of this report to every member of this house. I have not the time at my disposal to go through all the other paragraphs. There are many, many recommendations some of which, because of these interim reports, have no doubt already been put into effect or are being put into effect at the present time. But there are still lots and lots of recommendations in this report which should receive, and I imagine will now receive, the serious attention of the heads of the Department of National Defence.

However, I do not think that is enough. It has been clearly demonstrated in this report that the heads, the higher-ups, have not shown that essential grasp of the need for administration, the need for putting into effect a proper organization which is capable of working smoothly both in peace and in war. If there has been such laxity in administration here, then one cannot help but think that if a similar examination were made of the other branches of the army you might find that there is the same lack of proper appreciation of what is required here in peacetime for the defence of Canada at this time, for our obligations as far as NATO commitments are concerned, and for our obligations as far as our Korean activities are concerned.

If one studies military history you will find that all through the course of the history of the United Kingdom armies, the history of the United States armies, and even the history of the Canadian army, there have been crises arise which have shaken those countries to the core—and they have realized that there has been gross inefficiency in the administration of their armed services. To give an example, one recalls the terrible waste and dishonesty which existed at the time of the Crimean war, when supplies were sent out to the Crimea. The hay was rotten, the boots were all for right feet or all for left feet, and there was hopeless administrative inefficiency. The same sort of complaints were made after the South African war. It was realized shortly before the first great war that the armed forces of the United Kingdom were not ready and prepared to wage a European war. What happened then? Under those circumstances an independent commission was appointed to investigate all branches of the armed forces. As a result of those great investigations which were carried out by Lord Esher and by Lord Haldane, a complete reorganization of the armed forces took place.

A few years ago I suggested in this house that a commission somewhat similar to the Esher commission or the Haldane commission should be appointed to see whether our armed forces were organized in the right way to meet commitments which might be expected. I repeat that request now, and I say that this report underwrites everything I said at that time. This report demands, not in the words of the report but in the sense of the report, that a thorough investigation be carried out; that an independent commission be set up for a full investigation into the organization and the entire administration—both as to types of units and equipment that we have, and the whole organization and administration of our army—to see whether it is organized on lines which will enable it to defend this country and meet this country's obligations.

(Translation):

Mr. Paul E. Gagnon (Chicoutimi): Mr. Speaker, it gives me great pleasure to associate myself with my colleagues in congratulating the mover (Mr. Deslieres) and seconder (Mr. Schneider) of the address in reply to the speech from the throne.

The year 1952 is coming to an end. Canadian taxpayers will have to inform Caesar of the income they have received during the past twelve months. Before proceeding with the main part of my speech, I would like to make a suggestion to the government in that connection. Although it is not a new one, it is of great interest to the electors of any constituency and to those of Canada at large, I am sure.

The Minister of National Revenue (Mr. McCann) might well consider, I think, granting a statutory exemption of 10 per cent in connection with charitable donations. At present, in order to benefit from the exemption granted under the act, the taxpayer

must file receipts obtained from religious authorities, charitable societies or other such organizations recognized by the minister. It is quite a tedious procedure for everyone concerned. As a result, our parish priests lose precious time and are sometimes placed in an embarrassing situation which is very easy to understand. On the other hand, an individual who, having made charitable donations without asking for receipts, is forced to ask his parish priest for a receipt covering charitable donations which, having been made elsewhere, have not profited his parish church in the least; that individual is thus quite embarrassed when the time comes to present himself at the rectory.

Why should one ask religious authorities in particular to act as benevolent agents for the government? Why ask them to work without pay for the income tax collectors and impose upon them irritating and unpleasant tasks?

Things have reached the point where sworn certificates are being asked from those who submit, for income tax purposes, vouchers signed by priests. I say that it is going too far and that the zeal of certain members on the staff of the Department of National Revenue could be tempered without prejudice to anyone. It is already painful enough to pay this annual tribute to the central power, without adding the injury of having the members of the clergy share our financial troubles.

I am, moreover, of the opinion that statutory exemption should also be granted in the case of medical expenses.

The government would be wise to show more confidence in the population and spare them, as far as possible, the necessity of going through all that red tape. The unreasonable demands of a burdensome bureaucracy are not readily satisfied and I would ask the Minister of National Revenue to think it over while preparing the next budget.

I wish now to be allowed to offer a few remarks with respect to a political event which has taken place since the last session.

The federal government, acting in that spirit of centralization which moves all its present leaders, has, after a great deal of effort, managed to sign taxation agreements with all provinces save one. The policy of the present Prime Minister (Mr. St. Laurent) and of his colleagues has finally achieved its end. The province of Quebec is now alone and French Canadians form, more than ever before, a separate section in our Canadian confederation.

The line of cleavage drawn between the two great races of this country now appears in all its depth. On the one hand we have the English-speaking provinces in coalition with the central authorities and, on the other, the old province of Lower Canada once more facing the advocates of union. But no one can blame the authorities of my home province for this unfortunate situation. The aggressor here is not Quebec, it is Ottawa. It is Ottawa which has violated the spirit of the confederative pact by resorting to overbidding and blackmail to lay its hands on those rights given the provinces by the constitution.

Mr. Langlois (Gaspe): Can you prove that? Can you? Go ahead and prove what you are saying.

Mr. Gagnon:

Quebec's isolation is not of its own making—

—writes Mr. Charles Pelletier in *L'Action Catholique.*

In his last press conference, Premier Duplessis commented briefly, but categorically, on the new situation created in the field of federal-provincial relations as a result of Ontario having concluded in its turn a fiscal agreement with the Ottawa government. "We shall never sign the death warrant of the province of Quebec", he stated.

. . .This attitude is much too identical with the principles we have always defended here for us to fail to applaud it.

. . . That others may be inclined to see in the relations between the central government and the provinces a matter of dollars, solely, is more or less understandable; but the province of Quebec has the right and the duty to consider much more important factors. Freedom cannot be counted in dollars. . .

. . .Let us not say, above all, that in refusing to sign a separate agreement, Quebec is isolating itself from the rest of confederation. Such isolation is not of our making. We accept it through our abiding to the federative régime, to Canadian democracy. Quebec does not envy anybody's rights. It merely asks for the return of those sources of revenue which were granted to it by the constitution.

Of course, one should not consider Ottawa as a hostile government; but as far as fiscal matters are concerned, one must admit that the aggressor is Ottawa and not the province of Quebec.

Under the title "A Separating Policy" one can read in the Montreal *Gazette* of September 8 last, the following:

(Text):

Only one province now remains out of this type of negotiation. In his press conference last Friday, Premier Maurice Duplessis reaffirmed his declaration to preserve Quebec's independence, even at the cost of the money that must be declined and the hostages that he may be delivering into the hands of his political enemies. Quebec, of all provinces, can the least afford to sell or "rent" any part of its autonomy for the temptations of money. And the historic and present fact is that Quebec is just not one province in ten. It represents one of the two main races. The co-operation of these two races has been fundamental to the existence of the dominion. But that co-operation must rest, above all, upon the recognition that no part of Quebec's guarantees can be worn away with the years. It was obvious from the start that the federal method of separate

negotiations with the provinces, using the pressure of temptation, must in the end leave Quebec alone. A higher statesmanship in Ottawa would have avoided any policy that was bound to have such an ending. For Quebec can never be tempted out of things it must cherish for its survival, and because it cannot be tempted, it must stand alone, until the day comes when the tax policies of Ottawa cease to be separate bargains under specially contrived pressures, and assume the status of an honourable nationality and a truly federal spirit.

(Translation):

Finally in an editorial published by the daily newspaper *Le Devoir,* on September 9 last, Mr. Andre Laurendeau says, among other things:

Even if we are alone, we shall not yield. Whatever else people may think of it, one can but approve the statement made by Mr. Duplessis last Friday to the press, and which appeared in next day's papers.

The prime minister did not refer to the fiscal agreements between the provinces and Ottawa. But everyone knows what he was talking about when he said: "Under the Union Nationale, the government will never sign the death warrant of the province".

. . .Ottawa has therefore succeeded in isolating Quebec. Mr. Abbott is happy about it and takes a patronizing attitude with the provincial government.

But his government has just won a dangerous victory.

For by isolating Quebec, he forces us to admit that it is the French Canadians who are alone.

A federal-provincial fight, in which Ottawa opposed an alliance between Ontario and Quebec, was primarily a political fight.

When the opposition concentrates upon Quebec, the national problem appears in all its magnitude. It may one day break out in all its violence.

Speaking of these agreements, the Montreal *Gazette* went on to say:

(Text):

Most of these deals have been signed by the provinces under constitutional protests. Alberta said that it was gun-at-the-head negotiation. Manitoba has said that it would be far better if only the province could have some fields it could call its own. Nova Scotia declared the deal would mean that "provincial governments would become annuitants of Ottawa and provincial public life would become debased and degraded". Even Ontario, the last province to sign such an agreement, describes it as unsatisfactory and as settling nothing.

(Translation):

On the other hand, the association of rural municipalities of New Brunswick had complained about not receiving an adequate portion of the federal subsidies collected by the provincial treasury, as compensation for the sources of revenue handed over to the dominion; at a convention held this year in Saint John, this association strongly protested against the present state of affairs.

From these contentions and these claims regarding the distribution of federal grants, one can gather what intricacies and what hagglings inevitably arise from a system where one government collects taxes, while another spends the money which has thus been raised.

This is then no longer democracy but sheer dictatorship.

For what is the true spirit of dictatorship but the strengthening of unity, a propensity towards centralization carried to totalitarianism, the ruthless quelling of all the tendencies which break loose from unification? Again, it is the progressive quashing of all diversities and all yearnings, the monopolizing of all the branches of power.

Interest, individual or party interest, is the motive that prompts our centralizers.

As far as we French Canadians are concerned, our patriotic duty is related, first and foremost, to our nationality; our country comes next.

The constitution does not assign all the powers to the federal government, but only a part of them. The other part is allotted directly to the provinces.

Mr. Langlois (Gaspe): A real Duplessis speech.

Mr. Gagnon: The hon. member for Gaspe does not understand anything about that. He would have to be much more intelligent and know what I am talking about.

Mr. Langlois (Gaspe): These are Duplessis' sallies.

Mr. Gagnon: Maybe they are sallies to you; but they are not to those French Canadians who think of the future.

Mr. Langlois (Gaspe): In Duplessis' own style.

Mr. Gagnon: I was saying that the constitution does not assign all the powers to the federal government but only part of them. The other part has been granted directly to the provinces. Economic unitarianism is opposed to democratic ideals. Sooner or later, both the spiritual and cultural values are influenced by the economy. The financial aid offered to the universities is proof of this. One can afford to shower gifts and presents with money which has been taken away from the provinces. An implacable solidarity unites the different levels of human activity, so that when freedom is lost at one level, be it the lowest, coercions are soon felt on the others.

It seems that the authors of the Rowell-Sirois report in which our present Prime Minister took a close interest had foreseen this possibility when, in order to avoid overlappings, duplications of work and expenses, they suggested, for instance, that the federal government and the provinces be authorized to delegate their powers to each other. But such delegation of powers would be unilateral since the powers held by the federal govern-

ment with regard to international and interprovincial matters cannot be transferred to a province.

The many millions of dollars which are being held out to us by the federal government are but a piece of bluff, a booby trap. They want in fact to take over our rights and privileges; they seek to decrease our powers and our sovereignty; they wish to see us in tutelage, in poverty and in bondage.

Mr. Boisvert: Let the hon. member mention one single piece of legislation passed by this government which could deprive us of any of the rights we enjoy in the province of Quebec.

Mr. Gagnon: Again those are things unknown to my hon. friend. There are none so deaf as those who don't want to hear, like the hon. member for Nicolet-Yamaska.

The province of Quebec is still too young and her future too promising for her to be superannuated by the Ottawa government.

Had French Canadians refused to play their part in bringing about confederation, there would be no confederation. It is because those of my race were guaranteed by the fathers of confederation that their rights would never be violated that they did cooperate with them.

Mr. Langlois (Gaspe): That is still the case.

Mr. Gagnon: It is because they believed that the terms of the contract would be respected that our fathers signed this contract. We demand absolute respect for the 1867 agreement; nothing more and nothing less.

Mr. Langlois (Gaspe): But that is the case.

Mr. Gagnon: That may be the case for the member for Gaspe, but not for true French Canadians.

Mr. Langlois (Gaspe): I am not afraid to compare my patriotism to yours.

Mr. Gagnon: As long as my province is headed by men who really care for its future, for its past and future greatness, its autonomy will be defended with might and main.

Provincial autonomy, for the hon. member for Gaspe, as well as for all French Canadians, is a matter of life and death.

Mr. Langlois (Gaspe): But not the Union Nationale's autonomy.

Mr. Gagnon: All the prime ministers of Quebec province, save one perhaps, have understood that. Every one, Liberals, Conservatives, Unionists, has refused to alienate the unimpeachable rights which were granted to us in 1867.

We do not want to see the same dishonest manoeuvre as in 1840. We find legislative union revolting, assimilation repulsive and encircling smothers us. We are only asking to remain as we are, to retain our rights, our prerogatives and our money.

Mr. Langlois (Gaspe): Nobody is taking them away from us.

Mr. Gagnon: I shall not repeat the arguments I stated previously in this house to defend provincial autonomy.

Let me say that the editor of *La Terre de chez-nous* gives me food for thought when he writes, in an article entitled: "An Invitation to Separatism", that we might consider abandoning the policy that has brought us only disappointments, afflictions, injustice and ordeals in every province of Canada.

The latest example is what is currently happening at Maillardville in British Columbia. In his editorial Mr. Maurice Berube writes as follows:

> "Ottawa's tactics, which consist in lowering the resistance of the provinces by picking at them one by one, are undoubtedly more successful than dealing with all of them at the same time on matters they must decide by common agreement. The government at Ottawa has deemed it more expedient to bargain and negotiate separately with each of them."
>
> Some might say that it is a smart policy. It seems to us that this policy is much closer to the dictatorial ways which we have fought and are still fighting than to the ways of democracy, which we claim to defend as far as the China seas. It is, in short, the already very ancient policy of "dividing to rule". It was known in the days of the Romans.
>
> Such procedure is highly unfair for those who refuse to be absorbed, just as it was at the time of the Romans or, not so long ago, at the time of the nazis and the soviets.

The chamber of commerce of the province of Quebec has submitted, in a remarkable brief to the provincial authorities, its views on federal-provincial relations in matters of taxation.

The chamber of commerce is not a political body. It cannot be accused of favouring one party to the detriment of another.

Representing the chambers of commerce of the various districts of the province of Quebec, its views are those of the best elements of the population, and its views are expressed in the best interests of the fatherland. Its denunciation of the centralizing procedure and the relentless efforts of the central power to take over provincial sources of revenue is a warning that must not go unheeded.

Mr. Lesage: Would the hon. member permit a question?

Mr. Gagnon: When I am through.

Mr. Lesage: It is only because—

Mr. Gagnon: No, when I am through. When it is stated that "never in the history of confederation has provincial autonomy been so imperilled" we should really lend a careful ear to such statements.

The government that spends—

This is in the official report of the house.

—must, as much as possible, be the government that taxes. Otherwise, since it does not bear the odium of taxation in the eyes of the electorate, it may be tempted to indulge in extravagance, if not in sheer waste.

This argument, as old as confederation itself, can only gain in validity with an increase in the amount of subsidies.

The fundamental objection to the present projected agreements nevertheless resides in its underlying philosophy. By centralizing control of the great modern forms of taxation, the agreements would seriously upset the balance which must be preserved in federal-provincial relations. They give to the federal government a great advantage which will inevitably lower the prestige and actual authority of the provinces, the importance of which for the French-Canadian group is beyond question.

If confederation is to survive, the pact, the sacred pact as Cartier liked to call it, the sacred agreement signed in 1867 between the two great races of this country, will have to be respected, not only as far as the letter of the pact is concerned, but also the spirit which inspired it.

In defending their rights and their inheritance, French Canadians are working to protect the best interests of Canada at large. When the present premier of Quebec fights for provincial autonomy, he is defending his people and expressing the views of the majority of the citizens of our province. Federal authorities might do well to remember that fact once in a while.

Mr. Lesage: Would the hon. member for Chicoutimi permit a question? May I ask him if he has ever read section 91 of the British North America Act?

Mr. Gagnon: I will say to the hon. member for Montmagny-L'Islet (Mr. Lesage) that moreover I understood it very clearly.

Mr. Lesage: Just for the benefit of my hon. friend, paragraph—

Mr. Gagnon: I took lessons similar to those the hon. member for Montmagny-L'Islet wants to teach me when I attended primary school and I learned them all.

Mr. Lesage: The hon. member did not understand this section. Otherwise, he would not have spoken as he did a moment ago. Under section 91 of the British North America Act the federal parliament is empowered to collect revenue for federal purposes through any method or system of taxation. And, Mr. Speaker, I take the liberty—

Mr. Fleming: Where is the question?

Mr. Lesage: I would like to say to the hon. member for Chicoutimi—

Mr. Fleming: Is it a question or a speech?

Mr. Lesage: Could you tell me what are the sources of revenue—

Mr. Fleming: Is it a question?

(Text):

Mr. Lesage: Mr. Speaker, I have a right to speak in this house. I have not yet spoken on this amendment.

(Translation):

Mr. Speaker, I want to say that I have asked repeatedly this question and I never got an answer: Which fields of taxation were ever taken away from the province of Quebec by the federal government? Nobody has ever named even one.

(Text):

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I think the situation that has developed from the presentation of the Currie report has naturally aroused apprehension in all circles with regard to the general matter of the administration of the Department of National Defence. The hon. member for Nanaimo (Mr. Pearkes) has rightly pointed out that if there has been faulty administration in one area, perhaps other matters should be investigated.

The Department of National Defence is, as we all realize, one of the most important departments of government, and has at its disposal a great deal of the money which is provided annually for general purposes. When we pay half of our collection of taxes into defence preparation, naturally we are interested in knowing whether we are getting value for our money. From time to time we have had instances where we have wondered whether we were getting full value, and this report which has come before us naturally makes one wonder whether the investigations should not be carried further.

How far does this extend? Is it restricted only to this one small works engineering department within the Department of National Defence, or are other things also worthy of investigation?

We had a suggestion made to the house some time ago that a joint committee of the two houses of parliament might very well be set up to conduct an objective and impartial investigation that would satisfy not only parliament itself but the people of Canada. We

have perhaps reached the stage where that suggestion should be given very careful consideration.

I spoke in the house some time ago about matters of defence in relation to our men serving overseas; and it seems to me that the presentation of this report makes even more urgent some of the matters I dealt with on that occasion. After all, we are engaged in what we are pleased to call a cold war. We have troops across both oceans. Unfortunately, in some circles we have been calling the war in Korea a police action, and it may be that we are taking rather too complacently the world responsibilities that we have naturally assumed as a member of the United Nations.

I have been reading the accounts of the recent visit to Korea of the president-elect of the United States and the comments various military commentators have made with regard to the situation there; and I wondered whether we should not seriously be considering some of those points and investigating to see whether our efforts here in Canada are directed along the right lines with regard to that conflict in Korea. President-elect Eisenhower is quoted in the *Gazette* of December 15 as saying:

> Finally, we must all recognize—in all our thinking and our planning—that the Korean war is but the most dramatic and most painful phase, for us at this moment, in our world-wide struggle against communist aggression.

I was endeavouring to find out, Mr. Speaker, whether reports from Korea were accurate concerning ammunition supplies for our forces there, whether we were not overlooking the serious situation that prevailed with regard to casualties. The Minister of National Defence made a statement on December 5 in reply to some of the remarks I had made. I might point out to the house that he shifted his position with respect to the question of casualties, and has made it appear that they are not as heavy or as serious as I was endeavouring to point out.

In commenting upon Dieppe, which caught the eye of those who were reporting the proceedings of the house, I had pointed out that the force engaged at Dieppe was stripped down of all non-fighting personnel, and had engaged in that struggle only those who were equipped and trained to enter into combat with the enemy. I pointed out that if we examined our forces in Korea and determined only those who were equipped to enter into combat with the enemy, we had, as far as infantry were concerned, only about 600 men per battalion or 1,800 per brigade; and drawing the parallel with Dieppe, I showed that had there been no replacement or reinforcement for the forces in Korea the rate of casualties suffered was similar to that at Dieppe. Obviously if you at Dieppe had been able to rotate the battalions every two hours, why, in the course of the eight-hour conflict, totalling up all the numbers, the casualty rate would have been much less than it was. That was the whole purpose in that comparison, but I notice that the minister in his reply to me has suggested that the casualty rate in Korea was only 16 per cent. I quote from page 365 of *Hansard*, where the minister said:

> In Korea the 25th Canadian infantry brigade have been there a total of 7,900 man years. The total number of casualties suffered numbers 1,248 or 16 per cent as opposed to the 68 per cent in eight hours at Dieppe.

This is a new way to estimate casualties in action. I was careful to suggest that the only reasonable way to estimate casualties was to take the fighting strength of a brigade and see what the casualties were in relation to that fighting strength. General Eisenhower, in his book "Crusade in Europe", mentions that 80 per cent of the casualties of an army in the field are borne by 20 per cent of the men, the 20 per cent who are actually in contact with the enemy. I think a mistake has been made in Canada in overlooking the fact that the casualties occur in that small percentage of the total force.

It is no reflection upon those who served elsewhere in an army that they are not called upon to engage actively with the enemy. You must have a certain percentage of men behind the fighting fringe in order to keep the fighting fringe operative. It is quite obvious that you must have lorry drivers; you must have mechanics to keep vehicles in repair; you must have men to supply food, ammunition, petrol and things of that nature. In actual practice it takes four or five men working behind the line to keep one man actively in the line with his rifle, mortar, machine gun or whatever it may be. The men who serve in the rear areas suffer from the long hours of hardship and endurance they must go through to keep in shape the vehicles, weapons and equipment used by the men actually in the line. In my experience I have seen men, in the second world war, working from daylight until midnight, unceasingly, day after day including Sundays, throughout an entire month. Their contribution was essential and effective.

Nevertheless, they suffered no casualties. If you are going to consider casualties at all, then you must look at the portion of your troops in action, and estimate the casualties on that basis. With our brigade in Korea we maintain in the front line approximately 1,800 infantrymen. On them falls the brunt of the

action. They suffer the casualties. And when we have suffered, as the figures now indicate, something like 1,250 casualties, it is clear that those casualties have fallen mostly upon the 1,800 who occupy the positions against the enemy. Of course if you rotate the battalions several times in the course of two years, and then estimate the percentage on the basis of the total number engaged, it becomes very small. It would be just as reasonable—and just as useless for the purpose, in my estimation—to take the total number of men in uniform in Korea, in Europe and in Canada and say, "Well, our casualties are 1,250, and our total number in uniform is 100,000; therefore our casualty rate is only 1·25 per cent". That does not give the true picture at all.

Consequently I think it is time we in this country learned the lesson of estimating our casualties properly, having regard to the number of men actually engaged in action. That was my reason for drawing the parallel when I spoke the other day with regard to that particular situation, and mentioned not only Dieppe but also the first world war.

The minister replied, as reported at page 365 of *Hansard:*

> It must be remembered and emphasized that the 25th Canadian infantry brigade is practically all in the active theatre of operations in front of brigade headquarters.

That may indicate to some people that the entire brigade is in constant danger. I think it is unwise to suggest to the relatives of people in the brigade that everybody in it is in constant danger. That is not normally the situation, and people's minds should be set at rest on that point. Not every man who serves overseas in an army is in constant danger. Often he is in no danger at all, and relatives should realize that fact. I think it is not advisable to make statements to the effect that the infantry brigade is practically all in the active theatre of operations in front of brigade headquarters. Normally, when in action, brigade headquarters is split into two parts, tactical headquarters being forward—well forward—and rear headquarters, which is well back. And it should be well back, because the people who are there are those who are concerned with the supply services of the brigade, and it is not wise to endanger their lives.

But I would say this, that the serving soldier in the line, if asked whether he would like to go back to tactical brigade headquarters, would welcome the opportunity. To him it would be about the same as returning to Canada; he would feel he was just about as safe. I have been in too many brigade headquarters not to realize that that is the situation, although they are in exposed positions.

So I do not think for one moment that the 25th brigade is all in front of brigade headquarters, unless the minister means the rear headquarters of the brigade. And of course the same is true of the smaller formations. Regimental headquarters, to a man who actually has to move right up to the enemy's lines, seems to be a relatively safe position. Those who have served overseas will realize that.

Perhaps I was more interested in the question of ammunition than in any other aspect of the situation in Korea. My question was: Is there a shortage of ammunition in Korea? Again, as reported at page 365 of *Hansard*, the minister gave this assurance:

> So far as ammunition is concerned, the position in Korea is precisely as I outlined it the other day. Canadian troops have never been subjected to unnecessary casualties by any shortage of ammunition, nor are they in the least likely to be exposed in such a manner. The fact is, Mr. Speaker, that the amount of ammunition used in Korea far exceeds that ever used before in any campaign in the history of mankind for any force of a comparable size.

I had hoped that the minister would bring forward facts and figures as evidence upon which that statement was founded. I think the statement that more ammunition has been used in Korea than in any other campaign in the history of mankind, without any evidence as to the actual number of shells expended and small arms ammunition fired, is rather open to question. If it has been used in such great quantities there is surely no reason why we cannot be informed about it. However, my question concerned our own 25th Canadian infantry brigade, and not the total amount of ammunition expended by the United Nations forces in Korea, which perhaps would include the number of bombs dropped and rockets fired by our aircraft.

The situation as I see it is simply this, that we are suffering heavy casualties in Korea. We have had disturbing reports from other sections of the Korean front with regard to restrictions on the use of ammunition; and our own Canadian forces, through the press, have reported to us that there is a restriction on their use of ammunition. I wonder why there should be a restriction. One of my reasons for wondering is found in the report in the *Gazette* of December 15, which makes reference to General Eisenhower's visit to Korea. Quoting from that paper I find he said that he had three definite observations to

make concerning his trip, the second of which is as follows:

Second—In the strictly military sphere, certain problems of supply have reached serious proportions and require early correction.

To those who are familiar with military matters in the field, that is a very serious statement. It will be noted that he says certain problems of supply have reached serious proportions, and that they require early correction. He restricts it to the strictly military sphere. Does that mean that we are short of clothing for the troops, or food or gasoline? Are we short of lorries? Are we short of ammunition? When it comes down to the point of saying that it has reached serious proportions which require early correction, and you tie that in with these other reports about the restrictions on the use of ammunition, I cannot help but wonder whether it is not ammunition that is included in that particular statement.

Then a question that arises in my mind is this. Is the government of Canada as fully informed with regard to these matters as the president-elect of the United States? Is the government aware that the problem of supply in Korea has reached serious proportions and requires early correction? If the government is aware of that, what is being done about it? Are the lives of our troops in danger?

That is the type of information I think we should have in view of the situation there. That is the type of information I had hoped would be provided by the minister in his reply the other day. But that is not the type of information we received. We received some general statements reassuring us. But we want more than reassurance by way of general statements. We want reassurance with regard to our troops. We want reassurance with regard to the conduct of the entire war in Korea.

As I said earlier, all this seems to tie in with the reports that we are now receiving with regard to the situation in the Department of National Defence. Has an attempt been made to look into all these matters? Have the minister and his officials had the opportunity to keep in close touch with the situation in Korea?

Similarly one would like to ask questions about the 27th brigade over in Europe. What is the state of its supplies with regard to arms and ammunition? Are there ammunition dumps available? In case of sudden attack or the need of using that brigade in Europe have they the necessary means to carry on? Has there been anything lacking in the supply line or in the manufacture of munitions of war?

[Mr. Churchill.]

These are all most serious problems, and they become more serious when you consider the mounting toll of casualties in Korea. A report in the papers today coming from United Nations sources indicates that in the last three months, that is September, October and November, Canadian casualties were 300, or at the rate of 100 per month. That is much higher than they were in the earlier part of this year and in 1951.

I have been looking into all the reports I could find in magazines and newspapers with regard to Korea, and I have become very much disturbed. We are assured that this is static warfare as in the first world war. For some reason it seems advisable to the higher command to send out active patrols all the time to patrol the enemy's lines. Casualties are suffered in these active patrols. I wonder about the usefulness of this patrolling action on the Korean front.

This was tried out in the first world war. It is supposed to maintain the morale of the troops, to make them fighting fit and to keep them alert and active. As some of these reports from Korea say, it is supposed also to keep the enemy constantly alarmed and disturbed and shifting from one position to another. I wonder whether it is worth while conducting that type of patrol action at the cost of precious lives.

What is accomplished? Is our intelligence service such that we have to obtain prisoners in order to find out what forces are fighting against us. I notice that the intelligence arrangements of the enemy were so good that when the first battalion of the Princess Patricia's Canadian Light Infantry arrived at the front they were greeted by a placard exhibited by the Chinese extending a welcome to them. They had that information without sending patrols into our lines to seize prisoners.

I believe that the proper procedure to adopt in Korea at this stage would be to remain on the defensive, which is the recommendation of General Van Fleet himself. When you are on the defensive surely you do not have to be sacrificing lives every day with these patrol actions. If you are going to launch an offensive these patrol actions might be necessary, but I do not think they are when you are on the defensive. Many men who served in both world wars were never in a patrol action. Many of them were most effective in destroying the enemy without leaving their positions. A comrade of mine in the first great war virtually annihilated a German battalion with one machine gun, and he was never on a patrol action in his life. The German defenders of Dieppe had no necessity to go on patrol action in order to fire effectively from their strongholds against our

forces on the beachhead. I question very much that method of conducting war in Korea.

I was saying that I have been reading all the reports I could find in magazines and newspapers concerning this war. I wonder, as I wondered the other day, to what extent Canadian military experience is playing a part at the higher levels. What are we going to do? The suggestion is made that the war cannot be ended except by attempting to destroy the Chinese army and the North Koreans. That would cost the lives of a great many of our soldiers and of the United Nations forces. It would require reinforcements, because the Chinese army is much larger than the United Nations forces. If it were driven back or partially destroyed there are reinforcements across the Yalu river who could come forward.

Another suggestion is that there should be a withdrawal in Korea. That suggestion is rejected because the conflict is one of principle, trying to stem the attack of an aggressor against a peaceful and virtually, in 1950, defenceless country.

The suggestion is made by some commentators that the United Nations forces should be withdrawn gradually and replaced by South Koreans. That seems to make a great deal of sense. There are now five South Korean divisions actively engaged against the army, with five divisions in reserve. They are holding approximately 60 per cent of the front and in the course of time could take over a larger proportion. But to train and equip more South Koreans would take time. It would mean the provision of ammunition and arms from the North American continent. Are we prepared in this country to assist in that way? Are we producing munitions of war in sufficient quantities to assist in building up the South Korean army, thereby releasing Canadian forces?

Another proposal is that we simply go on the defensive—this is the one that makes the greatest appeal to me—and become strongly entrenched, holding the line for years if necessary. What difference does it make? We are engaged in a world-wide struggle against the imperialistic ambitions of Russia. It happens, as General Eisenhower pointed out, that the most dramatic phase is Korea, but the same type of thing is going on in Indo-China and Malaya; and we have had to build up defensive forces in Europe against any surprise attack. There is no immediate hope of release from that obligation.

I suggest that we must take the long-distance view and be prepared to remain on the defensive in Korea for a number of years if necessary. To end the war quickly and withdraw from Korea can only be done at a very great cost of life, and even if we did end the war there and withdrew from Korea we would not be at all sure that the same method might not be followed a year or two later and we would again find ourselves engaged in that country. In any case, if we do end the war in Korea, what about the situation in Indo-China and in Malaya, and in other parts where the communist powers might strike? The realistic approach seems to be to take the long-distance view; to decide that we are engaged in a cold war that is going to last for years; to make adequate preparation to meet any surprise attack, doing that by effectively providing the arms and munitions. That would be precisely the investigation that I for one would like to have conducted here in Canada, to see that we are providing arms and munitions against these possibilities. If we are not doing so, then surely we are failing to maintain our strength as a country. Are we right in simply laying the foundation for a general mobilization? Maybe that is not what is required. Perhaps a general war is not in the immediate future, and let us hope it is not.

If it is not necessary to provide for general mobilization in the course of a few weeks or months, is it not better then to take the long-term view of providing effective fighting forces and of providing munitions for our allies so that throughout the world we can make an effective stand against the communist aggressors? I think that could be done, and lives could be saved by providing the munitions of war and not sacrificing infantry forces as it seems to me we are sacrificing them unnecessarily in Korea now. I believe that expenditure of ammunition in unlimited quantities, rather than these probing attacks by infantry forces, is the answer to that situation. Therefore I hope we may be able to discover that in this country we are well prepared to provide the required munitions in unlimited quantities.

I mentioned General Eisenhower's report a little while ago and his statement that certain problems of supply have reached serious proportions and require correction. I hope that does not apply to munitions; and if it does apply to munitions, something should be done about them at least.

All this ties in with the world picture as we see it; a world struggle against Russian imperialism, or communism if you like to use the term. We have to resign ourselves to a rather long struggle, but it is better to spend money and effort on arms, armour and ammunition than to simply raise infantry forces and pit them against shells, mortar and machine gun bullets fired by the Chinese.

That is the situation as I see it, and I hope the investigation of our defence requirements in this country, and the general interest of parliament and the people in our defence matters, will bring to us before very long all the information we need with regard to the defence situation in our country and the contributions we are making with our allies elsewhere in the world to build up this bulwark against communism. Only by facing these facts and not glossing over them can we expect to get an effective contribution from our Canadian people. That is why I object to calling a war, which is resulting in heavy casualties to our troops in Korea, a police action. That is why I object to our failure to recognize the problem as it exists in Europe. Our failure there, as I have pointed out in this house on other occasions, is to provide armoured forces so that our men will be protected. It has been proven in both wars that armour, the use of tanks and armoured vehicles, saves lives. If we place emphasis on these matters then perhaps we will not only be doing our duty to our own country and performing our part in the affairs of the United Nations, but we will also be protecting the lives of those men who so willingly volunteered for service overseas.

(Translation):

Mr. Edgar Leduc (Jacques Cartier): Mr. Speaker, I extend my sincere congratulations to the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne. Every speaker who has preceded me has had nothing but praise for them and I wish to add my congratulations to theirs.

I do not wish to delay the house unduly by making a long speech, but I really think I should take a few minutes to deal with some matters of interest, not only to my constituents but indeed to the citizens of this country as a whole.

First comes to mind the matter of income tax. Would it not be possible for the Minister of Finance (Mr. Abbott), while preparing the budget for the fiscal year 1953-1954, to take into account economic expansion and the considerable increase in revenue which it would be possible to obtain through such a policy, while putting off heavy expenditures until such time as economic conditions in this country would become more strained than at present?

Indeed there may well be more difficulties in the way of our foreign trade, sooner or later, as can be seen at this time, by reason of the lack of purchasing power of certain other countries compelled to make their payments in dollars. These capital expenditures could then be directed in such a way as to prevent a relaxation in the business of the country. It seems to me to be the government's policy.

In this connection, I am inclined to believe that a cut in the income tax would be in order and welcomed by the taxpayer. It is true that national defence expenditures are considerable, but they may be measured, I think, with the economy of the country, since the intensive production which takes place will bring about in the course of this year, or of the next, a surplus of goods which we shall have to store away.

That is the reason which brings us to consider, together with this reduction in expenditures, a fairly noticeable reduction in the income tax.

In acting thus, the government will satisfy the taxpayer and will be thus encouraged to pursue its defence preparations and fulfil the nation's commitments as party to the North Atlantic treaty which will inevitably assure us peace remote though it may be.

Another question of interest which has given rise to a few speeches in this house last year is that of immigration.

Far be it from me to oppose the coming of immigrants to Canada for immigration lessens the burden of less fortunate countries while Canada profits by it in that she gets people qualified in various fields of activity who contribute to increase her revenues.

The government endeavours to accept only the immigrants that can increase the skilled labour force so necessary to our economy.

I congratulate the government for keeping to that policy which will gain us appreciable advantages. I feel however that the immigration department should keep on working closely with the Department of Labour in order to protect the interests of our working class so as not to deprive our own people of their daily livelihood.

I wanted to bring to the attention of this house these two questions about which the taxpayers are worried. If a little relief can be given as far as taxes are concerned—I agree that those taxes are necessary on account of our defence preparations and the assistance we have to provide to the weak —it will be a wise administrative move which will be generally appreciated.

Tax reductions would not only give confidence to the public and free it from that terrible feeling of discouragement but would create, in the taxpayer, the will to pursue his effort to the utmost.

During the last war, the taxpayer realized that he had to do his utmost; that is why he was willing to make sacrifices. Today, how-

ever, while understanding what is expected of him, the taxpayer cannot submit as freely to the sacrifices he made during the war period of 1939 to 1944.

As far as health insurance is concerned, a matter which is very much discussed and highly controversial when it comes to the ways and means of applying it, there is no doubt that one group of society, the white-collar workers and small owners, find themselves in an unfortunate situation when visited by sickness; they have to do without required care or to run into debt to such an extent as to pledge their salary for a long period. In the near future, some means of assistance should be found to provide all the necessary and urgent care to that group.

The infirm, who are quite a burden for some families, also present quite a problem.

We will have to help them soon, but the time to do so will be when the taxpayer has been reasonably freed from the fiscal burden which has been thrust upon his shoulders in these confused and difficult days.

The last time I spoke in this house, in 1951, I dealt with the problem of inflation and controls. I gave my opinion on both subjects. I am now pleased to observe that the measures advocated, which were adopted by the government in order to curb inflation, have had the expected results and that we are recovering in an appreciable manner.

Now about controls. Many learned economists have recognized the fact that the government has been well advised not to resort to them and to rely instead on the law of supply and demand.

During the past few years, Canadian trade and the gigantic development which we have witnessed have made our economy the most solid in the world and brought about a commercial expansion previously unheard of in our country.

One has but to read an article published in the November 5 issue of the New York *Times* to realize this. Several American magazines have only praise for the wise and enlightened administration of the government of this country. Our hon. friends opposite would do likewise if they would only say the truth and forget their thirst for power. That would be asking too much of them. But the people, who are the judge, will soon make their decision and grant the government of the Right Hon. Louis St. Laurent a well-deserved renewal of its mandate.

For some time much has been said about taxation powers to give the impression that the government at Ottawa is taking over all taxation fields, to the detriment of the provinces and municipalities.

Let us examine together the situation of the provinces as well as of the municipalities. In a speech he made in the house last week, the hon. member for Montmagny-L'Islet (Mr. Lesage) dealt with this matter in a masterly way. He stated that the government at Ottawa was not taking anything away from the provinces. Now, the province of Quebec, which ten years ago had a revenue of approximately $58 million, and, seven years ago, of $96 million, had last year a revenue of $275 million. Can we say that her taxing power has been curtailed? Is it not true that the province of Quebec has authorized certain municipalities, and even certain school boards, to levy sales taxes? Is it not true that the province of Quebec has, in certain cases, levied a sales tax of 5 per cent? Is it not true that the province of Quebec taxes fuel oil and coal used for heating houses? Is it not true that the province of Quebec levies a tax on the electricity used for lighting purposes? Is it not true that a meal tax is in force in the province of Quebec, a tax which does not exist in Ontario or elsewhere? Is it not true that there is a tax on cigarettes? Is not the cost of driving licences higher in Quebec than in Ontario? Is not gasoline taxed also?

Now, the revenue of the province of Quebec is five times what it was ten years ago and three times what it was seven years ago. Is the province of Quebec feeling guilty for these higher taxes? Contracts are awarded without tenders. Does that not indicate that there is money aplenty in the province of Quebec?

Now, as far as the federal government is concerned, it is one of the few governments who, in the past few years, have actually reduced taxes.

In 1945 the Canadian government collected, in revenue, $2,687 million; in 1946, $3,013 million; in 1947, $3,007 million; in 1948, $2,871 million; in 1949, $2,771 million and, in 1950, $2,580 million.

If the government was forced to increase taxes, it is because of the defence effort we have had to accept for the security of our country and for the repression of aggression. The government is always willing to decrease taxes when there is no necessity for the country to have as much money as is now the case.

Where do these amounts which we are now spending go to?—that is these $4 billion and more. For each dollar the breakdown is as follows: 3 cents to the provinces, 14·5 cents for social security, 5·5 cents for the various veterans allowances, 13·5 cents

for interest charges and 6 cents for debt reduction, that is the surplus that can be applied to tax reduction.

Have the municipalities lost their means of taxation? In my own community in 1944, revenues were $800,000 and we were enabled to reduce taxes. In 1952 this figure had gone up to $1,800,000, that is $1 million more in a period of some six years. Can it be inferred from that that the taxation powers of the municipalities have diminished? I could point out the case of several other municipalities of the province of Quebec which are in the same position.

When a municipality imposes a tax in order to meet the cost of certain municipal services, does it eliminate such tax, once the debt has been paid off? Quite the contrary; it keeps on using this means of taxation and even tries to find others in order to raise taxes even more. It is the sense of thrift that has vanished; our provincial and municipal leaders everywhere have lost all sense of thrift.

Is it possible that the increase in salaries and cost of materials might absorb these increases of revenue?

Mr. Speaker, I gave you a moment ago an idea of certain newspaper articles which lauded the administration of the Ottawa government. In this regard, may I quote an article by Robertson & Morgan, Montreal brokers, which reads as follows:

(Text):

Why Canada Freed Its Dollar.

The reason why all dollar-barriers have been swept away and the movement of Canada's trade set completely free for the first time since the country went to war in 1939, is the Canadian government's realization that the nation's economy has attained a strength and stability which make it unassailable. There is, in fact, no stronger economy in the world . . .

Canada is the only major nation of the western world which writes its budgets in black ink (It could, for example, pay for completion of the St. Lawrence seaway's navigation facilities out of the current fiscal year's surplus). Canada was the only member of the Grand Alliance of world war II which refused to accept lend-lease. In addition to paying all its own bills, it actually gave away more ordnance and food, in dollar terms per capita, than the United States did. It is now the only member of NATO which is paying cash on the barrelhead for its military purchases in the United States, and in addition. is sending equipment overseas to its allies as gifts . . .

Because of its abundance of natural resources in timber, minerals, fish, farm products and cheap hydro-electric power to drive its greatly expanding industry, the Canadian economy in 1952 is the healthiest in the world. That its industrial life proceeds in a climate of stable labour-management relations is not without important bearing on the state of the national health.

The jettisoning of its exchange restrictions has been made possible by the strength of the Canadian dollar, which in turn reflects the health of the national economy. . .

Mr. Speaker, I have other things to say. Therefore, if you do not mind, I move the adjournment of the debate.

On motion of Mr. Leduc the debate was adjourned.

On motion of Mr. Fournier (Hull) the house adjourned at 10.55 p.m.

APPENDIX I

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NATIONAL DEFENCE—REPORT BY MR. G. S. CURRIE.

REPORT ON THE CANADIAN ARMY WORKS SERVICES WITH SPECIAL REFERENCE TO THE IRREGULARITIES UNCOVERED AT CAMP PETAWAWA

November 26, 1952

The Honourable Brooke Claxton, D.C.M., Q.C., M.P.,

Minister of National Defence,
Ottawa, Canada

Dear Sir,

In accordance with your request of April 21, 1952, I have conducted an investigation into the deficiencies and other irregularities of the engineering detachment of the army works services at Petawawa and elsewhere. My terms of reference were contained in your telegram of that date as follows:

> Confirming telephone please undertake immediate investigation and report earliest possible date into deficiencies and other irregularities engineering detachment at Petawawa and related matters there, or elsewhere both to determine cause and make recommendations regarding security and accounting for stores equipment and services so as to prevent recurrence with any additional powers or terms of reference which are necessary to make complete and thorough investigation and report.

I accepted this task. May I express my thanks to you and to all departments of government, including of course the Department of National Defence, for the ready and full co-operation afforded me. I found the terms of reference suggested by you ample and complete for the purposes of the inquiry. It should be noted that interim suggestions made by me during my investigations have been already seized on, and important reforms are already being carried out.

My investigations have taken me not only to Petawawa, but also to Toronto, London, Borden, Barriefield, Vancouver, Regina, Quebec and Halifax. At all these points comprehensive general examinations were made of works companies and detachments.

PART I—THE IRREGULARITIES AT PETAWAWA AND THEIR CAUSES

The conclusion I have come to is that, while there has been a general breakdown in the system of administration, supervision and accounting, it was only at Petawawa that extensive irregularities over a prolonged period of time took place. The contents of this chapter are chiefly based upon my studies there, because of the existence there of a combination of factors: lax control, poor discipline and the presence of dishonest personnel. The combination proved disastrous.

It is mentioned in this context chiefly for the purpose of praising the personnel at other depots for not walking through the door which a fundamentally loose situation had opened before them. It does not fit the facts to indict or to smear the whole army works services personnel because of the sins of a handful of crooks.

The Discovery of the Irregularities and their Nature

At Petawawa, however, the crooks were present and took advantage of the situation, and it is an unhappy circumstance that the beginning of this investigation lies not inside the Department of National Defence and its full complement of regulations and supervising personnel, but with the receipt of an anonymous letter couched in the following terms:

> The Commissioner,
> Royal Canadian Mounted Police,
> Ottawa, Ont.
>
> Dear Sir,
>
> There is reason to believe that an illegal transaction of army goods has taken place between army personnel of No. 3 works coy., R.C.E., and .....company within the past few days.
>
> This transaction involves the selling of several railway car loads of cook stoves and heaters without proper army authority. The C.P.R. station agent at Petawawa village could give you the destination of these cars.
>
> No signature can be attached to this letter, but a good number of taxpayers have seen this deal and think that something should be done about it. If it is not an illegal deal, no harm will be done if enquiries are made, but yet if it is an illegal deal a number of other such transactions might be revealed.

Before reciting the irregularities and their circumstances uncovered by the R.C.M.P.—with the assistance later of the provincial police and the army provost corps—it must be said that internal warnings had not been lacking in the Department of National Defence. The chief auditor of the department had performed his functions conscientiously. Time and again he had reported unsatisfactory conditions. This is clear from Appendix "B" which summarizes his findings over a period of years. The deputy minister in each case had directed the quartermaster general to investigate and report. Lack of

adequate action at this point had, however, caused a progressive deterioration in the situation. Aside from reports being delayed for considerable periods of time, the record shows the next audit revealing conditions similar to those previously reported and, in some cases, worse. The process is then again repeated.

The actual irregularities uncovered at Petawawa are difficult to deal with in this report. The reasons for this, and for my dependence in large measure on police reports, are set forth later. The difficulties are enhanced by the fact that in various instances court proceedings have been instituted or are under contemplation. It is important, at this time, not to jeopardize these proceedings either from the point of view of the crown or of the accused. At the same time, it seems to me the public interest demands that this report should include a more or less detailed description of the nature of the irregularities which took place. I have therefore attempted to summarize them.

You will remember that, in each case, army personnel were involved; and that, in most cases, whether proceedings are taken or not, or whether these issue successfully for the crown, army goods have been recovered by the police which is fairly successful proof that army goods were widely spread in places where, under the regulations, they had no business to be. In a substantial number of cases, army personnel have signed statements admitting the correctness of the facts stated.

A series of transactions concerned the disposal of scrap metal. In one case, a proper contract was let for the disposal of 30 tons, in another, of 15 tons. It seems that some 550 tons were shipped out of the camp area, and that the proceeds from the bulk of the sale were pocketed by army personnel. Some of the metal thus shipped was not scrap at all. It consisted of serviceable material such as kitchen ranges, cannon heaters, shower-stalls, sinks and the like. Most of this material was recovered. In one striking instance, a large quantity of rails belonging to the Canadian Pacific Railway was removed. When this loss was noted by the C.P.R. and questions raised, a spur line of the Canadian National running into the ordnance depot was taken up and the rails used to replace the missing C.P.R. track. Another case involved the collection of lead from rifle butts and its private sale.

A contract was awarded for the clearing of the camp "X" area. It covered the clearing of 206 acres, though only 166 acres were cleared and that not satisfactorily. In this, as in the scrap metal cases cited and, indeed, in others, army equipment was used although the contract called for the company to use its own equipment. During the clearing of this area horses were hired by army personnel and placed on the payroll under the names of non-existent labourers. In another instance, a civilian employee of the detachment got a contract for cutting and hauling cedar poles. Permission was given to use an army bulldozer and other equipment on the job. Lumber was apparently cut from the area to be trucked to Camp Petawawa. Its final destination cannot now be accurately traced.

An electric refrigerator was obtained from a local hardware store, and billed to the works department as other material. When electric refrigerators became available, the steel ice-boxes previously used were not returned to stores but turned into a hardware store and traded for other merchandise chosen by army personnel. A boat and several washing machines were obtained by putting through a false order for 1,000 bags of cement. The boat has been traced at Petawawa and one of the washing machines was located in the men's quarters. Rolls of linoleum were stolen, some of which was recovered later. Two freight carloads of pulpwood appear to have been stolen during the cutting of a power line.

In various instances it has been ascertained that army personnel were employed to construct such articles as boats, desks, beds, chests of drawers, coffee tables, chairs and, in one instance, a child's rocking horse, all for private use and not for government service. The material used was army material, and though some of it, the latter at least, was subsequently paid for by the personnel concerned, the wages of the workmen employed were not.

A dam was built on Tucker creek at a cost estimated at some $3,000 or $4,000. Its utility is not clear to me, and it was, in any event, not authorized by army headquarters.

In certain cases, persons buying army material were asked not to make cheques in payment (in whole or in part) to the receiver general but to individual army personnel. The amounts thus paid did not reach the public treasury.

In another case, a member of the detachment was hired by a private company and paid for 13 weeks at the rate of $100 a week. The company claimed its temporary employee told it that accumulated leave would permit him to fulfil his obligations which involved the setting out and detailing of houses in the camp townsite. The man in question denies this, stating he performed these private duties in his spare time. He also denies that there

was any secret and improper element in the transaction which was, nevertheless, clearly improper under the regulations.

Private and improper sales of gravel were made by responsible personnel in charge of a gravel pit leased under strict terms by the Department of National Defence.

It was the practice at Petawawa to lend cement and other materials from army stores to private contractors in the district. No record was kept of these loans, and the materials were usually not returned until the army asked for them. The explanation given was that the private work being done was of an urgent nature, that materials were scarce, and that only the government had the priorities with which to obtain them. It was also stated that personnel were not available to keep the proper records.

A contractor received payment in full on a $32,000 contract for laying sewer pipe and manholes, although some $4,000 of the work had been completed by the army before the private contractor began work. The explanation in this case was that a Central Mortgage and Housing Corporation inspector erroneously accepted verbal progress reports from an assistant. The company also claims that the payment asked for was the result of an office employee being unfamiliar with procedures in such cases.

The Attempts to Estimate Losses

These, then, represent the ascertained cases of irregularity at Petawawa. How many more there may have been will never be known. It was apparent from the beginning of the investigation that the accounting records were in a chaotic condition and would be of little use in determining the nature and extent of irregularities. It is impractical, and perhaps impossible, regardless of the time which might be spent on examining records, to try and determine by this means the amount and value of the deficiencies.

This conclusion is based upon the results of a single, determined effort to ascertain by accounting methods the extent of the shortage existing in the case of a single item of stores. Cement was chosen as a test case, largely because the number of suppliers of that commodity were few in number and easy to find. Six weeks were spent in the effort. The suppliers produced their record of cement supplied to Petawawa. All army records were examined and audited. The contractors in the area to whom supplies of cement might have been given, sold or loaned, readily opened their books. As a result of the inquiry, it appeared that one loan of 3,400 bags of cement had not been returned. The over-all shortage appeared to be some 18,000 bags, much of which may have gone into unauthorized projects of one kind or another, or wasted or pilfered in small quantities. It was impossible to ascertain exactly what had happened. But my test cement investigation convinced me that to attempt a similar study of all the 5,000 items of stores held would be endless and probably fruitless.

In such circumstances, when rigid accounting methods fail, police examination is the only available recourse left. This has been carried out with painstaking thoroughness, and leads me to the belief that most, if not all, the important irregularities have been uncovered. The police too, have been able to recover by far the greater quantity of the missing goods, and these have been returned to stores.

No reliable estimate of the total loss can be prepared. It does, however, appear probable that the total loss resulting from misappropriations and irregularities by military personnel at Petawawa was not large. The advantages gained by civilians dealing with corrupt military personnel are not clearly ascertainable. My view would be, however, that the generally lax administrative situation would give rise to waste and inefficiency far more costly in loss than that covered by actual dishonesty. The evidence examined does not disclose irregularities involving relatively large sums of money, but, rather, an impressive array of petty irregularities on an extensive scale.

Breakdown of the Accounting System

The fault did not lie in the accounting system, which was a good one had it been operated properly. It was a new system, based on American and British as well as Canadian experience, and embodied features which, theoretically, would have quickly checked irregularities as they appeared. Under the regulations, had they been enforced, it would have been possible to determine from the perpetual inventory records the quantities and values of engineers' stores which should have been on hand at any given time. Then, by means of a comparison with a physical count of stores, the shortages could have been ascertained. The regulations of the army works services require that a 10% inventory of stores be made every month. The accounting system, however, was not properly operated, nor were the regulation inventories methodically carried out.

My investigations show that at least 33 regulations have been in the past honoured more in the breach than in the observance with the result that many of the control features of

the accounting system were rendered ineffective. They had to do with:

(1) Authorization of projects.
(2) Approval of works orders.
(3) Presentation of work orders as the only basis for issuance of stores.
(4) Preparation of accounting cost estimates.
(5) Follow-up by works company officers on efficient use of labour and material.
(6) Return of excess materials issued to jobs.
(7) Excess materials from one job being used on another.
(8) Unauthorized projects and services.
(9) Wasteful expenditures.
(10) Segregation of stores and warehousing generally.
(11) Physical inventory counts.
(12) Disposal of stores.
(13) Loans to individuals.
(14) Splitting of projects to come within local authority.
(15) Accounting for forms CAB's 83 and 83A by serial numbers.
(16) Unauthorized forms.
(17) Distribution of work orders.
(18) Cross-charging practices.
(19) Payments to military personnel rather than to the receiver general.
(20) Padding payrolls.
(21) Obtaining materials and commencing work prior to authorization of projects.
(22) Unauthorized accumulation of materials from completed works and a failure to take on charge surplus materials.
(23) Failure to record non-expendable stores issued to buildings.
(24) Failure to record the change in location of installed equipment.
(25) Errors in recording values on stock record cards.
(26) Adjustment of discrepancies revealed at stock taking without reference to higher authority.
(27) Irregular delegation of authority to sign work orders.
(28) Estimated costs being exceeded by substantial amounts without reference to higher authority.
(29) Labour and materials charged to approved works but delivered to other jobs.
(30) Condition of real property records.
(31) Inaccurate distribution in cost records.
(32) Certain removable equipment was not listed accurately in property records and stores.
(33) Improper loans of materials and rental of equipment to civilian contractors.

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Failure in Security

There was in addition a serious collapse in security. There was little to prevent or to detect the organized plundering of military stores on a systematic scale, though apparently comparatively little of it took place. If there is excuse for inefficient accounting, there is none for the failure of security which is, after all, a prime military consideration. I take a serious view of this breakdown. If it is easy to pilfer military stores, then, by the same token, it is easy to sabotage military equipment. My recommendations in this respect are fully outlined later.

Strains of the Korean War

My investigations of the problems, difficulties and shortcomings of the army works services outlined above suggest that they have been caused for the most part—but by no means altogether—by the tremendous and sudden expansion of its activities brought about by the Korean war and by the large-scale defence program involved in carrying out our NATO activities.

The establishment approved for the army works services after the second world war did not envisage the sudden expansion which was to take place in 1950. It was designed to carry out a purely peacetime role of planning, development and construction on an annual expenditure of approximately $20,000,000. This establishment became quickly burdened under the impact of the big-scale rearmament. In September, 1950, the program was increased to about $80,000,000. In the following April, it was increased to about $200,000,000. The program envisaged in the 1952-53 fiscal year aggregates about $250,000,000. The magnitude of this responsibility is reflected in an investment in plant and buildings which now amounts to $750,000,000 and is still rising.

During the 1952-53 period, the Petawawa detachment will expend something in excess of $1,000,000 on its own account, as well as having administrative responsibility for supervising some $20,000,000 of new construction performed by outside parties. It will readily be seen that the detachment's job is by no means a small one, but comparable perhaps to a medium-sized commercial construction company.

In the circumstances of sudden re-armament, the army works services of necessity was not permitted time to re-organize itself for this tremendous expansion, particularly since, it will be recalled, no one knew then whether the communist aggression in Korea was not the beginning of concerted Sino-Russian attacks in all available theatres of

war. Many sections of the services became completely overwhelmed with work.

The situation was complicated by still another factor. The Department of National Defence (including the army works services) was largely staffed and manned by men whose military training had been received in wartime. Its establishment and administrative practices reflected more clearly the urgent needs and exigencies of war, when speed is everything and costs count not at all. The carry-forward of this war psychology must be coupled with inadequate training and resultant ignorance on the part of personnel of their administrative duties and responsibilities. There was, in addition, indifference and reluctance on the part of military personnel to concentrate on administration to the degree required. It was not perhaps unnatural that these latter needs were largely forgotten or deliberately overlooked as soldiers gazed forward into the unknown consequences of the Korean outbreak, and foresaw still greater wars not very far away. But, if this spirit permeated the lower echelons of the army, it is more difficult to condone the same attitudes higher up. There, a higher degree both of intelligence and responsibility is essential. It was not always present in the degree required.

PART II—PROPOSED REORGANIZATION OF THE ARMY WORKS SERVICES

Role of the Army Works Services

The army works services is not necessarily a distinct and separate unit within an army. It is, in Canada, an ad hoc organization, drawn from various units and groupings, chiefly the Royal Canadian Engineers, and including a number of civilians. Its function is to provide and care for accommodation of all kinds for the maintenance of the active and reserve forces of the Canadian army in Canada, and to provide land and structures, and care for them, in order to permit these forces to carry out their tasks. Thus it provides for defence and special works, provides and distributes engineer stores, creates fire fighting services and plans accommodation and other works requirements for mobilization and war.

It is included in the composition of the army for the sole purpose of providing necessary facilities for the rest of the army. It maintains the most direct contact with the civil engineering profession in Canada and its military components are thus kept abreast of current engineering practice in all phases of civil and related engineering.

Handling of Expenditures

Expenditures of the army works services are estimated each year in advance, screened carefully at all levels by the service, the staff and finally by the general officers commanding and the chief of the general staff. These are presented to the minister. The usual annual program of the army works services comprises the following main tasks:

(1) The requisite maintenance program—a fixed commitment.

(2) That proportion of the planned new construction program approved by the government for the year.

(3) The planning of further new construction and maintenance requirements.

The voting of funds in bulk allotments by parliament represents the direct control exercised by the people of Canada on the country's military activity. Funds so voted are controlled to varying degrees depending on the amount and nature of the expenditure. In all cases, the treasury officer, who is appointed by the Department of Finance to work within the Department of National Defence, must certify that the necessary money is available and that the expenditure is in fact in accordance with the purpose for which the funds were voted.

In addition, an "administrative" approval of the expenditure is necessary to ensure that the expenditure is in accordance with current government and National Defence policies, is economical, and is made in accordance with sound and fair business practices. With the department, such approvals can only be given by the minister and by the deputy and his staff, together with senior army officers who have been specifically delegated by the minister. The expenditure of public funds for construction purposes is further controlled by regulations requiring that large projects be screened by the Department of Defence Production and the treasury board to ascertain their effect on the current labour and material situation in the locality in Canada in which they are required. This special review is intended to prevent avoidable interference with the general economy of the country.

It is the policy at all levels to avoid using "direct to trade" purchasing powers, except where essential, to maintain the excellent relations which have been established with the Department of Defence Production and to use that agency as the normal purchasing channel. It is a further policy to use the contract method for construction and maintenance wherever possible and consistent with true economy and efficiency. In the normal course of events, all major new construction

projects are let by contract. Exceptions are made to the policy only in particular circumstances such as exist in northern Canada where it is desired to make use of the training value of large day-labour projects.

Limiting Factors

The capacity of the army works services to perform its tasks is hampered by—

(1) Inability to obtain staff (civilian as well as military).

(2) Delays in obtaining approval and in the release of funds.

(3) Effect of government restriction in the use of day-labour and other restrictions in the method of purchasing and letting of contracts.

The administrative procedures involved in the above, to a varying degree, of necessity effect a reduction in the efficiency and the capacity of the army works services.

Objective

What is needed now is the creation of a system designed to fit the economic and efficient administration of a large and long-sustained preparedness program inside a national economy operating at full blast. This involves the abandonment, by all administrators of the program, of the war psychology with its emphasis on speed with resultant wastefulness and extravagance, and the substitution of an alert, economic and efficient operation, flexibly designed, to be sure, to meet emergencies, but designed also to become a more or less permanent part of Canadian life and government.

Need for Managerial Skills

The foregoing study and analysis of the situation at Petawawa have led me to certain general and specific conclusions regarding the future of the army works services, and the problems which confront it. These involve the recruitment and training of personnel on a basis quite different from that of the past. Changes in administrative methods and responsibilities are also needed. These involve organization and control.

Certain principles may be stated in this connection. The first of these is to have good men about. This is complicated in the army works services because:

1. At army headquarters level it is basically a military organization and it is not free to pay the prices necessary to acquire top-flight administrators in key posts.
2. Personnel in the R.C.E. and the army generally are sometimes promoted for reasons other than administrative ability, e.g., in the army works services, engineering ability. Accordingly, an officer may find in his rise up the ladder that he is faced with successively greater administrative jobs for which he is ill-suited.

This situation has a parallel in civilian life in that the most important ablity of the head of a small business is technical ability. As the size of the business increases, the importance of managerial ability increases and that of technical ability declines. In medium-sized businesses, the two tend to be of equal importance. The most important quality in the heads of a large organization is managerial ability, and, the larger the concern, the more important this becomes.

Need for Reorganization

The emphasis in the army works services organization at one time was quite properly placed on technical skills, but, in its present size, emphasis should be shifted to managerial and administrative ability in key posts. The drive in civilian life is for efficiency and control, and these are major requrements of the army works services in its present state of expansion. Any deficiency in filling these posts will result in overloading the next in charge, and will throw the organization out of balance. Thus, a major problem confronts the army works services in filling its establishment at defence headquarters.

A problem of the army works services relates to organization since—

(1) Its organization has been neither good nor adequate at all levels,

(2) Organization changes which have been made are a result of some segment being overwhelmed.

(3) Reorganizations approved by the civil service commission and establishment committees have not been realistic and reflect a lack of understanding of army works services problems.

To make an organization effective it is important to develop personnel. Plans in this respect normally include:

1. Selection of candidates for training.
2. Training to meet job requirements.
3. Systematic and gradual development through selected positions of responsibility.
4. Control over appointments to key positions.
5. Clear-cut assignment of responsibility for carrying out the program.

The army works services appear to have fallen down badly in this respect. Certain key positions have not been provided for. Key positions have not been adequately filled,

and training and control over promotion of personnel have not been conducive to maximum efficiency.

A well managed organization requires a fair wage structure properly administered. This requires a suitable agency sometimes referred to as a personnel manager. At present in the army works services this factor is not co-ordinated and well planned and has contributed in a serious degree to personnel problems in respect of civilians employed by the service. Changes usually occur on a piece-meal basis and normally involve fruitless disputes with the civil service commission and establishment committees. In many cases, unsatisfactory arrangements result. The functions of a personnel manager normally involve—

1. Assisting in job analyses.
2. Assessing relative job values.
3. Comparisons with outside rates.
4. Maintenance of records to show—
   (a) How wage rates compare with outside scales;
   (b) Recommended changes to maintain wage policies.
5. Reviewing changes in job classifications and rates.
6. In general to co-ordinate and initiate steps necessary to create and maintain a sound and fair wage structure.

Difficulties have arisen in the army works services organization arising from the employment of civilian personnel working alongside enlisted men in the same organization. It has been difficult to attract suitable and competent civilians to work for the army works services due to—lack of career possibilities—inadequate salaries—insecurity of employment.

In any reorganization, the establishment need not necessarily have the proposed military element, and, because of the relatively frequent changes in postings of military personnel, it might perhaps be better organized with more permanent civilians. This problem has, in all probability, appeared in other lands. In both the United Kingdom and the United States, civilians are used in the army works services in relatively larger numbers than in Canada. This has resulted in a marked saving in military manpower, and may also have the advantage of placing civilian-trained, rather than military-trained, men in many posts which are, after all, essentially civilian in character.

The Proposed Reorganization

I have drawn up four alternative plans for the needed reorganization.

Alternative No. 1

The first is to improve and further develop the existing organization by—

1. Reorganizing the service at A.H.Q. and other levels so that it is more appropriate for its vast managerial responsibilities.
2. Improving the calibre of civilian personnel (at least in key positions) by revising salary scales and more efficient selection methods.
3. Creating suitable training courses in administration.
4. Creating a suitable inspection and service division to keep top personnel fully informed on conditions and to act as an instrument to clear bottlenecks and train personnel on the job.
5. Placing proper emphasis on administrative efficiency.
6. Freeing top personnel from detailed administrative duties to enable them to make uninhibited inspections down the line so that they can initiate remedial action through the machinery created in 4 above.
7. Generally implementing the various measures suggested by this report.

Alternative No. 2

The second alternative is to create a civilian organization running parallel to a military organization up through commands to army headquarters. This alternative would—

1. Relieve military personnel of most of the administrative function and enable them to concentrate on planning and on executive direction of works.
2. Open up career possibilities to civilians and thus attract high calibre permanent personnel and provide stability to administration now difficult to achieve.

The advantage of this course of action would appear to be the combining of greater administrative stability and efficiency with a valuable training element for R.C.E. personnel.

Alternative No. 3

The third alternative envisages the creation of a completely civilian army works services under the Q.M.G. but operating outside command channels and tied in directly to army headquarters. Such an organization as this would avoid considerable duplication in administrative work and delay in getting things done which are involved in the operation of the army works services through command channels. That is, something along the lines of a holding company with operating subsidiaries. Liaison at various levels whereby requests for work would flow into

the service would necessitate certain military personnel attached to the organization. Also the broad planning function would continue under the chief of the general staff. Execution of such plans would then flow through the quartermaster general to the army works services.

The main advantages here would appear to be savings in administrative and technical manpower, and those generally applicable to, say, Central Mortgage and Housing Corporation.

The objections are that the army works services would, for the most part, cease to be a training ground for military engineers.

Alternative No. 4

The fourth alternative is that the Department of Public Works take over army works services. This might effect a certain saving in technical manpower not attained by the first and second alternatives but perhaps accomplished to a degree by the third alternative.

The objections are:

1. A department which becomes too big tends to become unwieldy and inefficient.
2. Non-utilization of R.C.E. engineers who do compensate to a degree for the shortage of civilian engineers.
3. Too slow and cumbersome to meet army needs.

In assessing the possibilities of these various alternatives, short-term considerations and long-term considerations play a part. Precedent exists for alternative number 2 in the United Kingdom and the United States where army works services are largely civilian in structure. Alternatives 3 and 4 represent radically different structures and their introduction at this stage of expansion might create harmful confusion. It would, therefore, appear advisable to adopt alternative No. 1 at the moment and gradually develop the organization along lines suggested under alternative No. 2. The introduction of civilian administrative and technical stores officers, chief foremen of works and estimators would constitute a major step in this direction. Once this has been accomplished further development along the lines suggested by alternative No. 3 would be relatively easy. As long as the army works services exists in its present size, alternative No. 4 would appear to be unwise.

PART III—PROBLEMS IN REGARD TO REORGANIZATION OF THE ARMY WORKS SERVICES AND RECOMMENDATIONS FOR THEIR SOLUTION

The six major problems of the army works services appear to be:

1. Organization
2. Personnel
3. Control
4. Accounting
5. Stores
6. Security

ORGANIZATION

During the fiscal periods following the Korean crisis the Department of National Defence has been physically unable to carry out its budgeted program of expenditures. In the case of the army works services the major obstacles have been poor organization, lack of control and of sufficient technical personnel.

Army Headquarters

For example, at army headquarters some fourteen different functions were the direct responsibility of one man. These functions were represented by the following:

1. Finance
2. Stores
3. Real property
4. Administration (H.Q.)
5. Publication
6. Inspection
7. Fire marshal
8. Design
9. Construction
10. Maintenance
11. Construction inspection
12. Accommodation planning
13. Accommodation standards
14. Architect standards

The control of these functions involving expenditure of $20,000,000 was a big job. A program of $250,000,000 has made the task impossible. To correct this situation the department has recently developed a new organization for the army works services at army headquarters.

Under this new organization, the post of deputy quartermaster general (works) has been created. Directly responsible to him are two directors, namely, works and quartering, and responsibility is broken down under these two directors in a clear-cut manner.

Good organization in a large undertaking requires that not more than seven and preferably five functions report directly to

one man. The following summary shows how this has been taken into consideration—

	Number of Persons Reporting Direct
Deputy quartermaster general (works) ...	2
(a) Director of works	4
(i) Assistant director works procurement	5
Officer in charge finance division	3
Officer in charge stores division..	4
Officer in charge real property division	3
Officer in charge publication division	—
Officer in charge inspection division	—
(ii) Assistant director works engineering	4
Officer in charge design division	8
Officer in charge construction division	5
Officer in charge maintenance division	5
Officer in charge construction inspection	—
(iii) Officer in charge administration division	2
(iv) Fire marshal and assistant	3
(b) Director of quartering	3
Accommodation planning division ..	—
Accommodation standards division	—
Architect standards division	—

Works Companies

Turning now to the question of organization of works companies and detachments, I feel the officer commanding works company, if properly trained, can control his company's operations and personnel most effectively by adherence to certain principles of management well recognized in civilian corporations:

1. He must have personnel qualified to do the job. His key personnel are essential to him.
2. He must delegate effectively. It must be clear-cut. Each man must know his own duties, must have precisely defined authority, must know to whom he is responsible and his correct relations with those on his own level. When he delegates, he must back up, interfering only to avert catastrophe. He should teach by guiding them to know and follow his policy and thoughts, not by interference.
3. His contacts with personnel, for the purpose of information, should be uninhibited, but he should remember the clear lines of authority and give no orders during his explorations.
4. The different sections of the company should be as autonomous as the capacities of those in charge of them permit. No decision should ever go above the level at which there is a competent man to settle it.
5. Line and staff functions must be separate and clear-cut.
6. His office should be simple, containing no function which should be placed elsewhere. He must have enough freedom from detail, thus leaving him free to concentrate on important matters. He should spend a minimum amount of time in his office and be out effecting over-all supervision of company activities.
7. He must realize that officer personnel are subjected to spotlight analysis by other ranks, who do not miss much. Any softness in enforcing regulations, looseness such as pilfering stores, misappropriations or misuse of funds is quickly noted, and destroys discipline.

On September 15, 1952, a revised and improved establishment for Petawawa was approved. An organization chart is attached as Appendix "A". It will be noted that personnel considered to be "key" employees have been indicated. Its organization includes the following key positions not provided for under the old establishment:

1. Administration officer (civ.) (administration section)
2. Military foreman of works warrant officer I (works section)
3. Engineer accountant warrant officer II (finance section)
4. Technical officer (civ.) (stores section).

A fault of the new establishment is that it does not include a skilled estimator, which I consider vital to the efficient operation of a company.

The key personnel here noted, if of the right calibre and suitably trained, will largely stabilize the administration and operation of works companies, and should compensate to some extent for the rather chaotic conditions which flow from the relatively frequent posting of military personnel.

Up to now the absence of an administration officer, a technical stores officer and a 2nd in command has resulted in the works lieutenant supervising these functions to the detriment of his proper function. The function of the military foreman of works is being carried out by a W.O. II, who, in addition to his normal responsibilities, has been preparing plans, specifications and estimates as well as supervising projects and jobs. This has created a bottleneck.

The following division of duties and functions appears to be appropriate:

Works Section

The works lieutenant should be responsible for the plans, designs and over-all supervision of works. The military foreman should be charged with the direct conduct of the work and administration inherent therein. An estimator should be provided to prepare and control all estimating and be responsible for the accuracy of same thus providing an element of internal check on performance by the foreman of works. Following an analysis of completed work orders and on the site observations and inspection, the works lieutenant can then compare actual costs with estimated costs and place responsibility for variance where it belongs.

A monthly summary of these records covering the projects and jobs which have been completed during the period will afford to the commanding officer information which will enable him to appraise and control the efficiency of the works company. He must, however, have the benefit of skilled estimating and accurately prepared work orders to provide him with suitable standards of performance.

Administration Section

The O.C. works company can control the administrative efficiency of the unit through his administration officer. He must have sufficient administrative training himself to know what he is trying to control and have a good working knowledge of administrative matters. The administration officer, in turn, must have the key personnel as shown under him suitably trained and effective in order to carry out his responsibilities properly. The technical stores officer and the two accountants for finance and costs are most important personnel to him.

Transport Section

The transport personnel appear to form a fairly comprehensive group and accordingly require someone delegated to take charge with appropriate rank.

Fire Section

The functions of this section require careful supervision and attention. Many of the buildings are reaching an age when they present extreme fire hazards and unless constant vigilance is maintained the possibility exists of rather serious destruction of property by fire. The person directly responsible for this function must not only know how to combat fire but the measures necessary to avoid fires. Any slackness in this respect will sooner or later lead to unfortunate results.

Miscellaneous Subsections

"Projects" and "Permanent married quarters" are suitably taken care of in the new establishment. Major maintenance tasks such as house painting which are required periodically should continue to be done by the maintenance section thus utilizing manpower effectively.

To make an organization effective, it is important to develop personnel, and I turn now to point No. 2 of the army works services major problems.

PERSONNEL

In regard to calibre of personnel, it seems appropriate to point out that in work of this nature good men can save their salaries many times Poor calibre personnel in key posts burden others in the organization and generally unbalance its operation, lead to waste of time, bottlenecks and so forth.

Contributing Factors

The acquisition of suitable personnel has been hampered by slowness on the part of establishment committees in revising establishments, and the slowness on the part of the civil service commission in supplying personnel. Usually this latter delay is aggravated by unrealistic salary scales.

The lack of preparatory training of personnel has contributed to the conditions found at Petawawa and elsewhere. In the works companies and detachments investigated it was apparent that the key personnel had not received adequate preliminary instruction through having taken suitable training courses before posting. Training courses now operating should be re-examined to ensure that adequate courses are provided to cover the duties of all key personnel in the army works services.

Pilot Plant

In view of the urgent need to apply immediate remedial measures, it is suggested that consideration be given to the setting-up of one of the army works companies as an example of the ideal to be attained. In choosing this special company, care should be taken to select one in a suitable area and with as nearly a perfect layout, equipment and facilities as is possible. The administrative arrangements, as well as the operational organization, should be most carefully set up to provide a model company. Such a company would be in the nature of a "pilot plant" to which officers and other ranks from other companies could be temporarily posted

to obtain rapid and concentrated instruction as to how a works company should be organized and operated.

Manuals of Organization and Operation

As referred to previously the O.C. works company must delegate effectively, and to do this his organization must be well defined. For this purpose, manuals of organization and operation are essential. Each of the main sections of the works company should have its own special manual outlining in clear, concise and readable form the organization and operation of the section. Sufficient copies should be available to enable personnel to become familiar with their responsibilities. The context, form and presentation of these manuals must be such as to impress personnel with the importance of the instruction contained therein and with the necessity of following them meticulously.

It is suggested that manuals be in loose-leaf form and that amendments be made by way of reprinted pages. One of the duties of the chief auditor and the administrative service team of the inspection division should be to inspect these manuals and report as to whether they are being kept up-to-date. All regulations affecting the organization and the operation of these works companies should be contained in the manuals. There should not be several sources of authority.

A manual should be prepared for the O.C. works company which, with those for each section of the company, would form the master manual for the company. The appropriate additions should be added for each level of command up to army headquarters. Such manuals would be invaluable to the O.C. works company in training his staff and also at engineer schools in training the specialists required by army works service.

Conferences

Periodic meetings of officers commanding army works companies and detachments within commands should be held so that they can discuss and help each other with the solution of problems and difficulties. Such an exchange of ideas can sometimes be most fruitful, and lead in many cases to sound suggestions for improvement of the whole system. These meetings could be instigated and controlled at the command level with an army headquarters representative to co-ordinate the results.

Conclusions with respect to training are that the training programs in effect have been inadequate and that a considerable improvement is possible and advisable. The suggestions made above have been tried and proven in civilian organizations and considerable benefit should result from their adoption by army works services.

CONTROL

The third major problem of the army works services relates to control. Apart from controls regarding calibre, acquisition and training of personnel, what is covered here is control over—

1. Policies
2. Organization
3. Costs
4. Methods and manpower
5. Expenditures
6. Demands upon time of senior officers and executive
7. Over-all performance.

This problem goes to the heart of the matter. The conditions examined reveal a substantial loss of control. Army files which have been examined reveal in many instances unsatisfactory conditions existing over a period of years and little if any effective action taken. The causes seem to have been a combination of the following:

1. Obsolete organization
2. Administrative laxity
3. Inability on the part of senior officers to cope with the situation due to lack of knowledge and experience
4. Lack of effective control agencies.

Control over Policies

Policies must be clearly defined so that personnel will understand under what conditions and to what extent they apply. It is apparent that personnel have not been imbued with the letter and spirit of army works services regulations. They are not in a form which can be readily applied.

Control over Organization

The maintenance of an effective organization requires continuous study, development, adjustment and review to ensure that the plan is working effectively. This is normally done through—

Organization planning;
Organization charts;
Job specifications;
Control specifications;
Organization manual;
Initiation and approval of organization changes;
Review of organization practice.

At present this task is the job of the deputy assistant director of works. It is to his credit that, without staff, he has been able to accomplish the progress that has been made. However, the function is simply too great for one man.

Control over Costs

Control over costs is a most important factor in the army works services since there is not the same direct pressure for economy in its operations as exists in a commercial enterprise. Systems of cost accounting have been designed to control costs. Such systems normally disclose extravagance, waste and unreasonable expense trends. The army works services has a cost system and, if operated efficiently it would accomplish the purpose for which it was designed. However, it has not been operated properly nor have the results been analysed and made use of by army headquarters. The supervision and control of the cost system should be delegated to a staff officer at army headquarters.

Control over Quality of Key Personnel

A co-ordinating authority at army headquarters in the nature of a personnel manager should head up the control over the selection of key personnel through the army works services.

Control over Expenditures

Control over expenditures in the army works services is exercised through the enforcement of a series of regulations. The regulations are adequate but adherence to them leaves a great deal to be desired as is shown elsewhere in this report.

Control over Demands upon Time of Senior Officers and Executives

The most economic and effective employment of the time of senior officers and executives must also be organized and controlled. To do this, careful planning should be undertaken along the following lines:

1. Use of time studies of each executive's working day to guide assignment of duties.
2. Use of high calibre personal assistants to handle much of the detail.
3. Effective use of a capable staff organization to analyse and digest information and make recommendations.
4. Limitation of the number of persons reporting directly to senior personnel.
5. Separation of the offices of senior officers from subordinates and restriction of contacts to those made by appointment.
6. Insistence that all but emergency matters be submitted in writing.
7. Realistic allotment of duties so that senior officers may have adequate and appropriate time to attend to personal inspection in the field, constructive thinking and administrative routine.
8. Reduction of time and attention of senior officers by eliminating the deluge of literature, correspondence, requests for information, surveys and similar demands originating from higher commands.

Control of Over-all Performance

One of the principal reasons for freeing senior personnel of detail is to permit them to concentrate on the performance of the organization as a whole. Investigation reveals that this has been lacking in the army works services. The fundamental reasons have been outlined above. The auditor general, the treasury board, the chief auditor of the department and the inspectorate of quartermaster services all assist in providing information useful for control. At first glance it might seem an impressive array of auditors and inspectors. However, their efforts are to a great extent diluted by responsibilities in other services and departments. It is for this reason that a staff control agency is suggested and also a full development of the inspection division.

Staff Control Agency

Such specific factors of control in the army works services require the use of a staff agency specially designed for the purpose. Since the directorate of works is by far the larger, and directly concerned in this respect, it is suggested that such an agency be headed by an assistant director of management services located at the same level as the assistant director works procurement and the assistant director works engineering. It is conceivable that all "Q" services could do with this sort of control agency.

Administrative Service Teams

The inspection division which will be controlled by the "Staff Control Agency" should include administrative service teams whose functions would be:

1. To inspect the administration of works companies and detachments at least semi-annually.
2. To determine causes of administrative failures.
3. To assist works companies and detachments in correcting such failures.
4. To provide information to enable the staff control agency to formulate improvements in administration.

Such teams would be made available to general officers commanding to assist them in correcting conditions which demand remedy.

ACCOUNTING

The fourth major problem of the army works services has to do with the operation of the accounting system and related regulations.

Operation of the System

The system was installed in 1949 and was still not working satisfactorily in the early part of 1952. Examinations made show that there is still a great deal to be desired but that personnel are gradually overcoming the chaotic situation previously in existence.

Appendix "B" classifies the various accounting irregularities found by the chief auditor of the Department of National Defence. Examination of the accounts at Petawawa and elsewhere confirmed these findings. It is obvious from this appendix that the system has not been effective and that conditions existing prior to 1949 were still in existence.

The following general comments are made with respect to the present operation of the system—

Real Property Records

These are not up to date at Petawawa nor generally across Canada. Since the army works services is concerned with an investment of some $750,000,000 in buildings and plant, the task is a large one. It is fundamental to the proper functioning of the system that no time should be lost in bringing these records to a satisfactory state.

Works Procedure

The regulations in this respect appear to be sound. Estimating, however, is not efficient. Again, this is a fundamental factor in the system. The cure would seem to be to have a qualified estimator in each works company or major detachment. At present foremen of works are doing estimating which does not leave them free to properly supervise works. The works officer through his chief foremen of works and chief estimator should be able to co-ordinate the activities of each and bring into existence a valuable element of internal check. This factor is his "administrative key" to efficiency in his unit. If he becomes unduly involved in either supervision of works or estimating, over-all efficiency, his prime responsibility, suffers. Therefore he must have adequate assistants in these posts.

There is a general complaint that the rush of work makes accurate estimating and follow-up difficult to achieve. It would seem that estimates on projects in the first instance should be approximate until the project or job is approved in principle. Then if so approved, it should be re-submitted together with a detailed and carefully prepared estimate for final approval. It is important that for each approved project there be a reliable estimate of cost before a work order is issued. If this is not done a great deal of the value of the system is lost. This is not an unreasonable requirement—the success of civilian construction companies depends on efficient estimating.

Another important point relates to the work order which in effect constitutes an order from the officer commanding works company, based on an approval from higher authority, to his assistant to proceed with the job. This constitutes an authority for the foreman to draw a specified amount in value and the quantity of materials and stores to complete a specified job or project. As mentioned above, any carelessness in the preparation of the order leaves a wide open opportunity to foremen. Accordingly, the following recommendations are made with respect to work orders:

A. They should be made out in such a manner that they cannot be easily altered without detection.

B. Where the officer commanding delegates the signature of work orders, the storekeeper should be advised in writing of the names of the designated signing officers.

C. Work orders should be made out in quadruplicate and distributed as follows—
   (i) One copy retained in engineer's office.
   (ii) Two copies to be issued to foreman of works.
   (iii) One copy to be sent direct to stores to advise them of pending issue.

D. Work order forms should be issued in pre-numbered pads and their consumption controlled as with CAB's 83 and 83A. They are virtually blank cheques on stores and they must be controlled to forestall irregularities.

E. The predetermined material requirements should be entered on the form, signed by the works company officer and cross-referenced to the work order so as to prevent substitutions.

F. No stores should be issued by the storekeeper unless a proper work order is presented.

G. No over-issues to be permitted on work orders unless written authorization given by the officer commanding works company who should be restricted to a specified variance from the original estimate. Otherwise the matter must be referred to higher command for appropriate approval.

H. All materials to be passed through stores records and charges "direct to works" to be completely eliminated.

I. Cross-charging practices to be absolutely forbidden.

J. On completion of the project or job and the turning in of completed work orders, these should be compared in works company office with originals and any unusual variances investigated immediately by the works company officer. By inspection on site the officer commanding works company must check to ensure that excess materials are being returned to stores and taken on charge.

The recent army order with respect to approval for work has been reviewed. It would seem that maintenance scales are reasonable. However, in the case of new projects, the regulations require a project no matter how small—for example, $10—to pass through normal channels right up to army headquarters. This involves administrative work on the part of many persons and is of doubtful value. It would seem more reasonable at present to delegate such approvals to more appropriate levels and, if necessary, set aside special funds at these various levels to restrict the total amount of such projects. For example, in respect of a specific project the following delegation of authority might be appropriate—

G.O.C. Command ..	$2,000
Area commander ..	300
O.C. works company	150

However, in respect of delegation of authority and discretion generally, this should await a proven responsibility on the part of officers together with a general stepping-up of inspection and auditing, combined with a clear-cut policy of sanctions in the case of irresponsibility.

Cost Accounting

The operation of the cost accounting system cannot be considered satisfactory until irregularities such as those outlined in Appendix "B" are stopped. We are informed that cost reports are now being received from all works companies and detachments. Needless to say, this is an initial step but until the quality of cost reports is improved results are of restricted value.

The cost accounting system is sound and workable and will if properly used assist in increasing the pressure for efficiency such as is normally experienced in civilian establishments by financial factors.

STORES

The fifth major problem concerns the physical handling and accounting for stores.

A recent examination of the physical handling of engineer stores at Petawawa revealed a relatively favourable situation. Specifically speaking, satisfactory attention was being paid to the following factors:

1. Maximum utilization of existing space by way of warehousing layout.
2. Arrangement of stores in a manner permitting conservation of time and manpower.
3. Conservation of supplies by avoiding re-order of material in stock when it cannot be located when required.
4. Segregation of surplus and "stockpiled" stores into separate warehouses thereby simplifying stores arrangement and speeding up of supply operations.

As a result of a physical inventory taken during the spring, stock record cards were brought into agreement with a physical stocktaking. The surpluses and deficiencies revealed were as follows:

	Surpluses	Deficiencies
Electrical	$11,511.74	$5,624.75
Hardware	4,505.65	3,523.61
Plumbing galvanized	892.33	351.77
Plumbing black	330.75	510.85
Plumbing drainage	547.61	1,127.73
Plumbing parts	4,602.62	1,678.92
Stove and stove parts	658.54	1,496.69
Kitchen equipment	1,191.96	624.00
Lumber	3,150.95	5,218.75
Paints	2,036.78	1,717.88
Building material	6,038.12	1,037.69
Miscellaneous	1,511.02	28,195.33
	$36,978.07	$51,107.97

The largest deficiency related to the miscellaneous classification. A subsequent investigation revealed the cause to be a deficiency of some 377 circular floor tents. As a result of a special stocktaking these tents were located in ordnance for which they had been purchased.

A clear understanding of how surpluses and deficiencies arise is essential. A considerable number of surpluses and offsetting deficiencies arise out of misidentification of stores, that is to say, where two similar types of stores are on charge, one type is issued but the other is written off charge in the stock record cards. This type of error can be eliminated to a great extent by giving each type of store an item number corresponding to a similar item number on the stock record card.

Uniform Stores Catalogue

I recommend the compilation of a uniform stores catalogue and the handling of stores in accordance with it as the remedy for this situation. This will alleviate complications now being encountered by stores personnel in attempting to handle stores in accordance with trade names which in many cases vary according to the supplier.

It must not be assumed that irregularities are measured by the difference between the amount of surpluses and the amount of deficiencies. Such a conclusion would only be valid if the accounting system had been operated in a satisfactory manner.

Also, deficiencies can arise by straight pilfering of stores and no corresponding adjustment in stock record cards. Surpluses can arise through materials being returned to stores and, for one reason or another, not being taken on charge. Such stores might represent excessive issues on a given project or materials salvaged from demolitions.

Inventory Counts

Regulations of the army works services require that monthly inventory counts be made in such a manner as to ensure a complete check of stores annually. This has not been done in the past. The importance of adherence to regulations in this respect cannot be stressed too greatly. The reasons are, first, that it will bring to light many irregularities if such are being committed; and, second, periodic stocktaking and analysis of differences arising out of them should result in more accurate accounting for stores and a general speed-up in their handling.

There is one valuable element of internal check not being fully utilized. This is general ledger control over stores. It is recommended that the stores control account in the general ledger be broken down into the several sections corresponding to stores segregation. Then, as a physical count of stores is taken and quantities so obtained priced, the total value of a section of stores can be compared with the total of stock card balances relating to this section. Both amounts can then be compared with the amount reflected by the general ledger control account. Aside from revealing any dabbling with stock record cards, this measure would act as an over-all check on arithmetical accuracy which has been found in a number of locations to be lacking. In this respect the employment of a comptometer operator in large camps would greatly facilitate such operations and lessen the work-load on clerical personnel. Adjustment would have to be made in respect of receipts of stores for which there were no corresponding invoices, due to a time lag occasioned by suppliers. The handling of receipt and issue vouchers in stores would also have to be slightly different; receipts or issues involving stores from several sections would require separate vouchers for each section. These, however, are minor matters and no particular difficulty should be experienced in this respect.

Stock Control and Surplus Stores

The regulations governing stock control and the handling of surplus stores are well designed and suitable if followed meticulously. To be operated satisfactorily the services of a skilled and experienced technical stores officer are necessary. Lack of adherence to the regulations in regard to surplus stores contributed in large measure to excess inventories and duplications. This aggravated the problems of stocktaking and contributed to wasteful purchasing.

Army works companies do not possess the facilities to "stockpile" stores and equipment. Policy in this respect should be carefully reviewed in order to determine whether or not a more suitable alternative exists. In any event it would certainly seem preferable if such surpluses as already exist were segregated in centralized depots, and work companies thus relieved of this problem.

It is now necessary to refer to the physical handling of stores as distinct from accounting for them. The facilities provided and the methods followed in the handling of stores vary greatly in different companies and localities. Uniform standards for the warehousing of stores, as laid down in the regulations, have not been enforced and applied but this has been due largely, first, to the lack of suitable buildings and the necessary layouts; and, second, to unsuitable and/or untrained personnel.

Inventory teams have been organized within each command to tidy up the conditions of the inventories and the accounting thereof. Their work has been progressing rapidly.

SECURITY

As mentioned earlier, I consider the security measures in force at Petawawa and elsewhere inadequate. It represents the sixth and last of the army works services' major problems. The situation was such that personnel could with relative ease move stores out of camps. The accounting system designed to control stores was not, as I have outlined, operating in such a way as to ensure the detection of resulting shortages. Accordingly, the opportunity was great to steal, or to misuse military stores and equipment. Had security measures been adequate, the

problem would have been confined to those of misuse, inefficiency and waste. A special investigation staff scrutinizing the various areas would have stopped a good deal of misuse and perhaps of waste also. This fact, together with various other findings uncovered during my investigation has led me to a thorough study of security needs at Petawawa and, indeed, at other similar camps throughout Canada.

Provost Personnel

The functions of the provost corps in central command have been as follows:

1. Apprehension of absentees and deserters
2. Train patrols
3. Investigation of break-ins and thefts
4. Traffic control and escorts for distinguished visitors, parades, etc.
5. Discipline of troops when away from units
6. Security checks and patrols on camps and in buildings

The lack of men and the wide area to be covered from Ottawa to Windsor and from Toronto to Sault Ste. Marie has made it impossible to carry out all their duties satisfactorily. Provost corps personnel for the most part have been employed on 1, 2, 4 and 5 above and accordingly 3 and 6 have been neglected. The numbers of personnel now available for duty are entirely inadequate and even if the present establishment were filled it would not provide sufficient supervision.

In January of 1951 the establishment of central command provost company was 38 all ranks. Two officers and 31 men were posted to the company at that time. These were distributed as follows:

Camp Borden	1 Officer	16 men
London		3 men
Toronto		4 men
Kingston	1 Officer	3 men
Petawawa		5 men

In May of 1951 a new establishment was approved authorizing a strength of 4 officers and 79 men. The breakdown of this establishment within the command was as follows:

	Establishment	Posted Strength
Camp Borden	1 officer 13 men	1 officer 9 men
London	1 " 12 "	1 " 10 "
Toronto	17 "	13 "
Kingston	1 " 14 "	1 " 5 "
Ottawa	8 "	6 "
Petawawa	13 "	5 "
Coy H.Q. Toronto	1 " 2 "	1 man
	4 officers 79 men	3 officers 49 men

The uneven distribution of personnel to detachments was due in part to the present policy of posting men returning from Korea to the detachment nearest their homes.

Since the Korean situation arose a new problem has been presented, namely providing security for the vast quantities of valuable and attractive stores which have been accumulated.

After consultation, a proposal for another new establishment was drawn up by the provost corps and submitted to the secretary of the war establishment committee of central command, dated August 14, 1952. A summary of this proposed new establishment is attached as Appendix "C".

Camp Patrols

All provost personnel posted to a camp or area are available to assist the commanding officer in the exercise of his responsibility for the security of that camp or area. A most effective way of improving camp security would be to provide sufficient provost personnel to enable mobile patrols to operate through a camp on a 24-hour basis. They should be thoroughly conversant with camp activities.

Gate Guards

The employment of commissionaires serves a useful purpose in replacing trained military personnel. In camps, corps of commissionaires personnel are often employed at the camp barriers. These men can be quite effective if they are carefully supervised and if a proper checking procedure is set up for them to use at the barrier.

The Guarding of Back Roads in Camps

Camp security cannot be complete as long as back exits remain open without guards or barriers. In large camps such as Petawawa and Borden it is not possible to fence the entire area but much can be done by building suitable gates on back roads and erecting wire or other obstacles to prevent vehicles leaving the roads in the vicinity of the gates. These gates or barriers should also be guarded by the corps of commissionaires.

Relationship of Townsites and Camps

Security can be improved by segregating townsites from the camps proper. At present at Petawawa there is no restriction to the movement of personnel in and out of the camp from the townsite. Fences should be constructed segregating the townsite from camps. Visitors, taxis, tradesmen and so forth entering the townsite would not then have to pass through military gates. Otherwise an easy means of access to camps is available and this should not be so.

Use of R.C.M.P. Personnel

It is recommended that a constable of the R.C.M.P be posted for duty in each major camp to represent the civilian authority. In almost every camp there are large numbers of civilians employed and these are in addition to those living in married quarters. It has not been found acceptable or satisfactory for members of the provost corps to take care of situations involving civilians. It is of great importance, however, that there be a clear definition and understanding of the authority of the provost corps, the R.C.M.P. and the provincial and municipal police.

Special Investigation Staff

It is recommended that a special investigation unit be organized as part of the Canadian provost corps for employment in checking up on security measures generally and, in particular, to be available at short notice to carry out special investigations when situations arise such as did at Petawawa. The members of this unit should be trained as experts in making this type of enquiry and in collecting evidence.

It is important that the provost corps be brought in at the early stages of known irregularities or major losses. There has been evidence that this has not been done in all cases.

Burglar Alarm Systems

Burglar alarm systems would not appear appropriate for the engineer compound at Petawawa but there are other locations in the camp where they would be useful, e.g. ordnance stores. Also, medical stores at certain locations would appear to warrant installation of such systems.

Gate Passes

All military stores and equipment being moved out of the camp area should be accompanied by a document of identification authorizing the removal thereof. This document will be collected by the guard at the gate for subsequent scrutiny by the provost corps.

Provision should be made for the examination of all civilian vehicles leaving the camp to ensure that government property is not being removed.

Use of Police Radio Equipment

Modern two-way police radio equipment has been in operation in the Toronto detachment of central command provost company for a number of months. This equipment has proved very useful and has done much to overcome the shortage of personnel. Similar equipment should be made available to all the larger provost detachments. In most cases it is preferable for equipment to be tied in on the civil police net.

The present practice of posting provost personnel to units would appear to be inadvisable since supervision and control over such personnel by provost corps is to a large extent lost. In view of the difficulties in acquiring sufficient personnel for the functions outlined above, it would appear more appropriate to use these personnel to fill the establishment.

PART IV—CONCLUSION AND RECOMMENDATIONS

My report, I fully recognize, contains many discouraging features. The over-all situation is, however, by no means discouraging because of the fact that the cure for what has gone wrong in the past can be and, in fact, is being applied.

As an example of what can be and actually has been done to remedy conditions quickly, it is interesting to follow the action which was taken at Halifax immediately following my inspection early in September. I reported verbally to national defence headquarters that conditions at Halifax were not satisfactory. As had been found at other establishments, stores, accounting and administrative procedures had broken down seriously. Senior officers were immediately dispatched from Ottawa to look into the situation. They took remedial action at once. Certain key personnel were replaced; others were put on notice; temporary stores and clerical staff together with a labour force were engaged to clean up the situation and bring the accounting records up-to-date.

In November, I was invited to return to Halifax to examine the results of the vigorous action which had been taken. I found that remarkable changes had been made. The company had been completely re-organized. The stores had been re-catalogued and re-arranged. Accounting records and stores procedure had been revised and corrected. As a result of what had been done the unit had been placed in a position to function properly and to carry on with normal efficiency.

In conclusion, I am giving you hereunder my recommendations covering the operations of the army works services. Some of these have been already explained; others of a more technical character will be self-explanatory.

RECOMMENDATIONS

Organization and Control

1. The new organization set up for the service at army headquarters should be filled

as quickly as possible and selection of personnel for key posts should reflect the paramount importance of its managerial function.

2. Creation of a staff agency is needed at army headquarters to supervise the enforcement of established policies; to control organization; costs; methods and man-power and over-all performance. Publication and inspection divisions of the organization should be under its direct control.

3. Creation of administration service teams in the inspection division is required.

4. Effective action on the reports of the chief auditor is essential.

5. More frequent inspections and audits are necessary.

6. Evidence of wasteful and unauthorized expenditures should be promptly and thoroughly investigated and sanctions applied against offending personnel as warranted.

7. Top personnel must free themselves of as much detail as possible to supervise more effectively the enforcement of established policies. They should lay greater stress on their administrative functions and ensure by personal visits to lower echelons that prompt action is taken to rectify unsatisfactory conditions.

8. Periodic meetings of officers commanding works companies and detachments should be held at command headquarters.

9. Basic principles of management must be adhered to by all officers commanding works companies and detachments.

10. Each works company or large detachment requires the following key civilian personnel:

(a) An administrative officer
(b) A chief foreman of works
(c) A technical stores officer
(d) A skilled chief estimator.

Personnel

11. The establishments and wage scales of the army works services have been neither realistic nor adequate, and need revision.

12. Manuals of organization and operation should be revised and co-ordinated with training programs.

13. Selection and development of one company along the lines of a "pilot plant" is desirable. Officers and other ranks could be temporarily posted to it for training.

14. Posting of military personnel for longer periods is needed so that they will have sufficient time to attain efficiency in their jobs.

15. The circumstances under which military personnel may accept outside temporary employment require precise definition.

16. All payments owing to the crown must be made to the receiver general. All ranks should be prohibited from accepting either cash or cheques or money orders made payable to themselves or to their office.

Accounting

17. The quality of cost estimating needs improvement to make the system effective.

18. Emphasis is required on the need for accurate distribution of costs. Otherwise data become meaningless and control over unauthorized expenditures difficult.

19. Work order forms and related procedures require revision.

20. A system of work approvals incorporating tentative or preliminary estimates should be installed.

21. Rigid enforcement of the procedures covering approval of projects is needed. Disciplinary action should follow where deliberate intent to circumvent regulations is evident.

22. The existing regulations relating to the approval of projects require modification to provide more delegation of authority with respect to minor new construction projects.

23. Rental of equipment to civilians requires control, and rates and procedure defined.

24. Real property records must be brought up-to-date as quickly as possible as these records are fundamental to the effective use of the accounting system.

Stores

25. A uniform stores catalogue is highly desirable.

26. Monthly inventory counts, as required by regulations, must not be neglected.

27. Suitable stores controlling accounts should be incorporated into the general ledger.

28. Stockpiled and surplus stores should be taken away from work companies and detachments and administered separately.

29. Rigid control, in accordance with regulations, is required of all loans of stores to military personnel and employed civilians.

30. Prohibition of loans of materials, stores and equipment to civilain contractors is desirable.

31. Orders with respect to the return of materials to stores require clarification. The importance of these must be emphasized to personnel.

32. Strict control of the handling of scrap is needed.

33. Materials of necessity left in the open should be protected and secured.

Security

34. Added strength of provost establishments is required.

35. Increased camp patrols are desirable.

36. The corps of commissionaires should continue to be employed on gate duties but with more adequate supervision.

37. Barriers or gates on back roads in camps are needed.

38. Townsites should be segregated from camps proper.

39. An R.C.M.P. constable should be stationed in camps.

40. A special investigation staff working under the provost marshal (army) is required.

41. Burglar alarm systems should be installed in larger warehouses where valuable and attractive stores are kept.

42. Suitable forms of gate passes deserve study.

43. Modern radio equipment would help the provost corps.

44. The provost corps should be brought in at the early stages of investigation into irregularities or major losses so that complete evidence will be obtained for the purposes of courts of enquiry and prosecution.

All of which is respectfully submitted.

(Signed) G. S. Currie.

25 WORKS COMPANY RCE

(Formerly Petawawa Detachment)

SCHEDULE "A"

*OC, Major	(1)	1
21C, Captain	(1)	1
Stenographer (Civ.)	(1)	1

Administration			Fire Protection			Works			Transport		
*Administration Officer (Civ.)	(0)	1	*Fire Captain (Civ.)	(1)	1	*Lieutenant	(1)	1	Driver (Wh) Cpl	(0)	1
Engineer Accountant WO 1	(0)	1	Fire Lieutenant (Civ.)	(1)	1	*MFW	(0)	1	Driver (Wh) Spr	(2)	2
			Firefighters (Civ.)	(16)	18				Driver Mech. Spr	(0)	1
									Fitter RCE, Spr	(0)	1
									Mechanic RCE, Cpl	(0)	1
									Mechanic RCE, Spr	(0)	3
									Operator SEE, Spr	(2)	2
									Veh Mech. (Wh) Spr	(1)	0
									Clerk (Civ.)	(0)	1
									Driver (Civ.)	(0)	12
									Motor Mech. (Civ.)	(0)	4
									Operator Hvy Eqpt	(0)	2

* Key Personnel.
( ) Old Establishment.

SCHEDULE "A" (Cont'd)

25 WORKS COMPANY RCE

(Formerly Petawawa Detachment)

ADMINISTRATION SECTION

Administration and Files			Finance			Stores		
Clerk Adm, Sgt	(0)	1	*Engineer Accountant WO 2	(0)	1	*Technical Officer (Civ.)	(0)	1
Clerk Adm, Cpl	(0)	1				Clerk (Civ.)	(0)	5
Cook (RCASC), Pte	(1)	1	Clerk (Civ.)	(0)	1	Labourer (Civ.)	(0)	2
Clerk (Civ.)	(0)	1				Packer & Help (Civ.)	(0)	5
Clerk W/T (Civ.)	(0)	2				Storeman (Civ.)	(1)	8
Typist (Civ.)	(1)	0				Engr Acct (Sgt)	(1)	0
						Engr Acct (Cpl)	(1)	0
						Engr Acct (Spr)	(1)	0

Purchase			Finance			Cost		
Clerk (Civ.)	(1)	1	Clerk (Civ.)	(1)	2	*Engineer Accountant S/Sgt	(1)	1
						Clerk (Civ.)	(0)	1

* Key Personnel
( ) Old Establishment

25 WORKS COMPANY RCE

(Formerly Petawawa Detachment)

WORKS SECTION

PMQs		Maintenance		Projects		Design		Utilities and Plant	
Clerk of Works (Civ.)	(0) 1	MFW WO 2	(1) 1	MFW WO 2	(0) 1	Draftsman (A&E) Sgt.	(0) 1	Technician (Civ.)	(0) 2
Carpenter (Civ.)	(0) 2	MFW Sgt	(1) 2	MFW S/Sgt	(0) 1	Draftsman (A&E) Cpl.	(1) 2	Caretaker (Civ.)	(1) 2
Electrician (Civ.)	(0) 1	Bricklayer, Spr	(1) 1	Clerk (Civ.)	(0) 1	Tech. Offr (Civ.)	(1) 1	Cleaner & Help	(0) 2
Elec. Helper (Civ.)	(0) 2	Carpenter, Spr	(2) 2	Clerk (Civ.)	(0) 1	Clerk (Civ.)	(0) 1	Fireman (Civ.)	(84) 0
Plumber (Civ.)	(0) 2	Electrician, Spr	(1) 1					Fireman Labrs	(0) 84
		Painter, Spr	(1) 1					Groundsman (Civ.)	(0) 1
		Plumber, Spr	(1) 1					Stat. Engr (Civ.)	(8) 8
		Sheet Metal Wkr, Spr	(1) 1					Watchmen	(10) 8
		Blacksmith (Civ.)	(1) 0						
		Bricklayer (Civ.)	(0) 1						
		Carpenter (Civ.)	(2) 8						
		Carpenter Help (Civ.)	(0) 2						
		Carp Foreman (Civ.)	(1) 1						
		Clerk (Civ.)	(0) 1						
		Electrician (Civ.)	(1) 5						
		Elec. Helper (Civ.)	(0) 2						
		Elec. Foreman (Civ.)	(1) 1						
		Labourer (Civ.)	(3) 10						
		Labourer Foreman	(1) 1						
		Painter (Civ.)	(3) 5						
		Painter Foreman	(0) 1						
		Plumber (Civ.)	(1) 2						
		Plumber Help (Civ.)	(0) 1						
		Plumber Foreman	(1) 1						
		Sheet Metal Wkr (Civ.)	(0) 2						
		Sheet Metal Wkr Help (Civ.)	(0) 1						
		Welder (Civ.)	(0) 1						

( ) Old Establishment.

APPENDIX "B"

CLASSIFIED SUMMARY OF ACCOUNTING IRREGULARITIES FOUND BY THE CHIÉF AUDITOR
DEPARTMENT OF NATIONAL DEFENCE

		IRREGULARITY	Materials obtained and/or work started prior to authorization of project.	Materials purchased prior to receipt of an A of T form D.D.P. or the raising of an L.P.O.	Requisitions on D.D.P. and/or L.P.O's split to keep within financial limits.	Accumulations of materials from completed works and/or materials removed from buildings not B.O.C. in stock records.	Installed fixture cards set up without reference to or adjustment with former records.	Non-expendable stores issued to buildings without recording on installed fixture cards.	Unauthorized issues of stores and materials.	Installed equipment removed from buildings and/or location changed without amendment to installed equipment card.	Failure to carry out stocktaking as required by the instructions.	Adjustment of discrepancies made without reference to higher authority.	Req's and/or work orders not signed as approved.	Requisitions and work orders not completed in detail as to estimated and/or actual costs.	Estimated costs exceeded without review.	Cost of labour and/or materials charged against approved W/O's not used on other jobs.	A.P's approved in excess of authority or split to come within financial limits.	Real property records incomplete or not current.	Cost records not balanced or cost reports not made and submitted.	Cost records not up to date or sufficiently advanced to be checked or have been allowed to lapse.	Shortage of staff claimed by unit.	Tradesmen and labourers doing accounting or stores work.
		LOCATION																				
1951	1	Works Company London				X	X	X	X			X			X			X	X			
1950	2	" " Toronto				X	X		X				X	X	X							
1951	2	" " Borden				X	X	X		X				X	X							X
1950	3	" " Picton						X														
1951	3	" " Petawawa	X	X	X			X	X		X					X	X			X		
1951	3	" " Kingston		X	X			X	X					X	X	X						X
1952	3	" " Ottawa	X	X			X	X		X				X	X	X		X				X
1950	4	" " Montreal				X					X									X		
1952	4	" " Montreal	X	X		X		X		X	X							X	X			
1950	5	" " Quebec			X	X	X	X	X		X			X		X			X		X	
1951	6	" " Halifax				X		X	X		X		X		X		X					
1951	7	" " Fredericton						X	X	X		X			X						X	
1951	10	" " Winnipeg				X	X	X				X	X	X	X			X	X			
1951	10	" " Shilo				X	X	X	X	X	X				X						X	
1950	11	" " Victoria		X		X					X											
1951	11	" " Victoria	X													X	X	X	X		X	
1950	11	" " Chilliwack						X			X					X						
1952	11	" " Chilliwack			X					X			X	X	X					X		X
1951	11	" " Vancouver				X		X						X				X				
1952	11	" " Vancouver	X	X		X		X	X				X	X	X			X				X
1952	12	" " Regina	X	X	X	X		X	X				X	X	X		X	X		X		
1951	13	" " Edmonton					X							X	X			X				X
1952	13	" " Calgary					X		X												X	X

SCHEDULE "C"

DISTRIBUTION OF PERSONNEL OF THE CENTRAL COMMAND PROVOST CORPS

Ranks	Company H.Q.		Toronto		Camp Borden		Kingston		Petawawa		London		Ottawa		Sudbury		Hamilton		Windsor		Total	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Captain	1	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	1
Lieutenant	—	—	—	—	1	1	1	1	—	1	1	1	—	—	—	—	—	—	—	—	3	4
Warrant Officer I	—	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		1
Warrant Officer II	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	
Staff Sergeant	—	1	—	1	—	1	—	1	—	1	1	1	—	1	—	—	—	—	—	—	1	7
Sergeant (SP)	—	—	2	2	1	3	1	2	2	3	1	2	1	2	—	1	—	1	—	1	8	17
Corporal (SP)	—	—	3	3	3	4	3	4	2	4	3	3	2	2	—	2	—	2	—	2	16	26
Private (SP)	—	—	11	15	8	22	9	18	9	22	7	10	5	10	—	6	—	6	—	6	49	115
Sergeant (Clerk)	—	1	—	—	—	—		—	—	—	—	—	—	—	—	—	—	—	—	—		1
Corporal (Clerk)	1	1	—	—	—	—	—	1	—	—	—	1	—	—	—	—	—	—	—	—	1	3
Private (Clerk)	—	—	1	—	—	1	—	—	—	1	—	—	—	—	—	—	—	—	—	—	1	2
Corporal (RCEME)	1	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	1
Craftsman (RCEME)	—	—	—	—	—	—	1	1	—	—	—	—	—	—	—	—	—	—	—	—	1	1
Total	3	6	17	21	14	32	15	28	13	32	13	18	8	15		9		9		9	83	179

NOTE: A—Present
B—Proposed

APPENDIX II

COMMONWEALTH CONFERENCE—FORM OF ROYAL STYLE AND TITLES

OFFICE OF THE PRIME MINISTER
CANADA

Ottawa, December 12, 1952

The prime ministers and other representatives of commonwealth countries assembled in London for the commonwealth economic conference have considered the form of the royal titles.

They recognized that the present titles are not in accord with current constitutional relations within the commonwealth, and that there is need for a new form of title which will, in particular, reflect the special position of the sovereign as head of the commonwealth. They concluded, after full consideration, that in the present stage of development of the commonwealth relationship, it would be in accord with the established constitutional position that each member country should use for its own purposes a form of title which suits its own particular circumstances but retains a substantial element which is common to all. They agreed that the various forms of the titles should, in addition to an appropriate territorial designation, have as their common element the description of the sovereign as queen of her other realms and territories and head of the commonwealth.

The representatives of all the commonwealth countries concerned have agreed to take, at the earliest convenient opportunity, such action as is necessary in each country to secure the appropriate constitutional approval for the changes now envisaged. Her Majesty will then be advised to exercise her prerogative power by the issue of proclamations giving effect to such changes in the title as may be recommended. It is contemplated that the proclamations will be issued simultaneously in all the countries concerned.

The form of titles that will be recommended for use in Canada is:

"Elizabeth the Second, by the grace of God of the United Kingdom, Canada and her other realms and territories Queen, Head of the Commonwealth, Defender of the Faith."

The titles to be recommended in the various countries of the commonwealth are as follows:

United Kingdom—Elizabeth the Second, by the grace of God of the United Kingdom of Great Britain and Northern Ireland and of her other realms and territories Queen, Head of the Commonwealth, Defender of the Faith.

Canada—Elizabeth the Second, by the grace of God of the United Kingdom, Canada and her other realms and territories Queen, Head of the Commonwealth, Defender of the Faith.

Australia—Elizabeth the Second, by the grace of God of the United Kingdom, Australia and her other realms and territories Queen, Head of the Commonwealth, Defender of the Faith.

New Zealand—Elizabeth the Second, by the grace of God of the United Kingdom, New Zealand and her other realms and territories Queen, Head of the Commonwealth, Defender of the Faith.

South Africa—Elizabeth the Second, Queen of South Africa and of her other realms and territories, Head of the Commonwealth.

Pakistan—Elizabeth the Second, Queen of the United Kingdom and of her other realms and territories, Head of the Commonwealth.

Ceylon—Elizabeth the Second, Queen of Ceylon and of her other realms and territories, Head of the Commonwealth.

APPENDIX III

COMMONWEALTH CONFERENCE—OFFICIAL COMMUNIQUE

OFFICE OF THE PRIME MINISTER
CANADA

Ottawa, December 15, 1952

Following is the text of the communique issued at the end of the commonwealth economic conference:

The commonwealth economic conference which ended today was convened with the aim of concerting measures for increasing the economic strength of the commonwealth countries, including the colonial territories and creating conditions in which their peoples can play their part in securing prosperity and contentment for themselves and for the world.

2. In recent years the sterling area has been faced with recurrent economic crises which have forced its members to take emergency measures of trade and exchange restriction. These measures were necessary but they have inevitably tended to frustrate the long-term economic expansion on which our hopes and opportunities for the future are founded. This was recognized at the January meeting of commonwealth finance ministers. The measures taken in accordance with the conclusions of that meeting have, however, enabled the present conference to decide that a more positive policy can now be adopted both by the commonwealth countries themselves, and in concert with other friendly countries, to promote the expansion of world production and trade.

3. The conference agreed that commonwealth countries would work together to achieve certain broad common objectives. They have no intention of seeking the creation of a discriminatory economic bloc rather their object is by strengthening themselves to benefit the world economy generally. Accordingly, the following principles were agreed upon as governing the approach to the whole range of subjects under discussion:

(a) internal economic policies designed to curb inflation and rises in the cost of living should be steadily followed;

(b) sound economic development should be encouraged with the object of increasing productive strength and competitive power, providing employment and raising the standards of life;

(c) a multilateral trade and payment system should be extended over the widest possible area.

4. The application of these principles will require individual action by commonwealth governments, co-operation among them and international action with other trading nations and existing international organizations.

INTERNAL MEASURES

5. All commonwealth governments have agreed to persevere in their efforts to curb inflation. Inflationary conditions frustrate the progress of sound development both by increasing its cost and by destroying the savings necessary to finance it; moreover they damage the external balance by stimulating excessive imports and by diverting to internal use goods which would otherwise be available for export.

6. An adequate and stable external balance must be a first objective for all governments. Failure to achieve this means repeated crises, a continuously rising cost of living, a constant threat to employment and failure to develop resources effectively. The conference welcomed the improvement which had taken place in the balance of payments, both of the individual sterling area countries and of the sterling area as a whole, following upon the conclusions reached by commonwealth finance ministers at their meeting in January 1952. It noted with satisfaction that the sterling area would achieve balance with the rest of the world in the second half of this year. It was agreed, however, that this achievement, while reassuring, was only the first step towards a stable balance for the sterling area. Policies were agreed upon for 1953 which, it is hoped, will lead to further improvement in the reserves during that year. Nevertheless, while there has been steady improvement, the level of the reserves is as yet too low to warrant any substantial relaxation of the restrictions on imports from outside the sterling area.

7. The conference considered the extensive restrictions which some countries of the sterling commonwealth have needed to impose upon imports from the United Kingdom and other commonwealth sources. There was agreement that restrictions imposed because of balance of payments problems should be relaxed as the external financial position of countries improved. In considering the whole problem the governments concerned would have clearly in mind the difficulties which the restrictions have raised for the export industries affected.

8. The economic and social objectives of the commonwealth countries, individually and in association, depend upon their ability to

produce and supply under competitive conditions an expanding flow of exports. There was, therefore, general agreement in the conference on the vital need to expand the earning power of all sterling countries.

DEVELOPMENT POLICY

9. Throughout the commonwealth there is wide scope for expanding the production of the essential supplies which the whole world needs—food and agricultural products, minerals and engineering products, and improving the means for transporting them. This development of the basic essentials has on occasion been impeded by other development of a less sound and permanent kind which has overtaxed the countries' resources and has failed to contribute to the building of economic strength. The conference agreed that, in sterling area countries, development should be concentrated on projects which directly or indirectly contribute to the improvement of the areas' balance of payments with the rest of the world. Such projects should strengthen the economy of the countries concerned and increase their competitive power in world markets and so, by improving their balance of payments, bring increasing prosperity to their peoples. In some countries of the area, however, development plans have been, or are being, made to provide for some basic improvement in the standards of living which is a necessary foundation for further economic development. Some social investment is also urgently needed in the more developed countries certain of which have rapidly increasing populations. The conference recognized the need in such cases for these types of investment.

10. To enable development to go forward a sufficient flow of savings must be provided in the countries undertaking the development and also in other countries which are ready to invest their savings there. The amount of savings which will be available from external sources will, at best, be small in relation to the size of the development programs of countries of the sterling commonwealth and it is therefore essential that these countries should, themselves, adopt policies which increase the flow of savings. Although this is inevitably a slow process for countries with low incomes and little margin above the basic needs for existence, the process of development will, itself, increase income and increase the flow of savings.

11. The United Kingdom is the traditional source of external capital for commonwealth investment and has special responsibilities in the colonial territories. The United Kingdom government are determined that the flow of capital from London for sound development throughout the commonwealth shall be maintained and increased. This will only be possible if the United Kingdom can sustain the necessary level of internal savings and can achieve a surplus on overseas account additional to that required to meet its heavy existing commitments.

12. The United Kingdom government have, however, undertaken to make a special effort to provide additional capital for commonwealth development by facilitating the financing of schemes in other commonwealth countries which will contribute to the improvement of the sterling areas' balance payments. The conference took note that the United Kingdom government would wish, before making any of this additional finance available for commonwealth development, to be sure that the country concerned was, itself, devoting an adequate part of its resources to investment designed to improve the sterling areas' balance of payments and was ready to make a sufficient contribution towards the particular scheme in question to ensure that both countries had an interest in seeing that it was carried through as efficiently and economically as possible.

13. The conference welcomed the proposal by a group of important financial, industrial and commercial concerns in the United Kingdom to form a company to further development in other countries of the commonwealth and the colonial empire. It was pleased to note that an announcement by this group is being issued today. The conference also welcome a statement by the United Kingdom representatives that the United Kingdom government intend to discuss with the international bank for reconstruction and development arrangements to give effect to their decision to make sterling available for lending by the bank for projects designed to improve the sterling area's balance of payments.

14. The conference recognized the important contribution which investors outside the sterling area, particularly in the United States, can make to economic development in the sterling area and agreed that every effort should be made to create conditions which would encourage such investment. It further agreed that all sterling area governments should strive to attain this by reducing such obstacles as controls over the movements of capital across the exchanges. The United Kingdom government have reviewed the right which is now enjoyed by residents outside the sterling area, who have invested capital in approved projects in the United Kingdom and colonial empire since 1st January, 1950, to transfer their capital across the exchanges. At present this right only extends

to the sterling equivalent of the initial investment. The United Kingdom government informed the conference that they have decided that, henceforth, it shall extend also to capital profits.

COMMODITY POLICY

15. The conference recognized that there was no one universal remedy for the problem of instability of prices for primary commodities. Each commodity must be considered on its merits in the light of the conditions prevailing at the time and the circumstances must determine what form of arrangements would be appropriate. The conference agreed that violent fluctuations and an uneconomic level of prices for primary commodities were against the interests of consumers as well as producers. All commonwealth governments are, therefore, ready to co-operate in considering commodity by commodity international schemes designed to ensure stability of demand and prices at an economic level. They also recognize the need for an agreed procedure for calling together the governments concerned to consider emergency action in the event of rapidly developing conditions of surplus or shortage of commodities entering into international trade.

IMPERIAL PREFERENCE

16. There was general recognition at the conference of the value of existing preferences. On the initiative of the United Kingdom a discussion took place on a proposal that all commonwealth countries should join in seeking release from the "no new preference" rule in the general agreement on tariffs and trade (GATT) and this United Kingdom proposal was supported by the representatives of some countries. The representatives of other countries felt that such an approach would not advance the agreed objective of restoring multilateral world trade and the conference was, therefore, unable to support it. All commonwealth governments agreed, however, to co-operate with the United Kingdom government in an approach to the other contracting parties to the GATT to meet particular difficulties arising on the United Kingdom tariff. The object would be to enable the United Kingdom, consistently with the basic provisions of the GATT, to continue the duty free entry of commonwealth goods notwithstanding any increases that might from time to time become necessary in duties designed to protect domestic industry and agriculture in the United Kingdom. The commonwealth governments also agreed to consider sympathetically certain special tariff problems affecting the colonies.

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INTERNATIONAL ACTION

17. Resolute action, in accordance with the conclusions recorded above will, in itself, do much to strengthen the economies of the sterling commonwealth countries but this is not enough. Action in a wider sphere is also necessary. The conference therefore agreed to seek the co-operation of other countries in a plan to create the conditions for expanding world production and trade. The aim is to secure international agreement on the adoption of policies by creditor and debtor countries which will restore balance in the world economy on the lines of "trade not aid" and will, by progressive stages and within reasonable time, create and effective multilateral trade and payments system covering the widest possible area.

TRADE

18. The plan envisages positive international action for the progressive removal, as circumstances permit, of import restrictions imposed for the purpose of bringing a country's external accounts into balance. Action will be required by both creditor and debtor countries. The rate of progress in removing discrimination will depend upon the advance towards equilibrium between the United States and the rest of the world.

19. The sterling commonwealth countries will not all be able to remove restrictions at the same time. In particular, the representatives of some countries have emphasized that they must continue to use their exchange resources in the manner which enables them to carry out their planned development programs most effectively and that they are likely to continue to need import restrictions for this purpose.

FINANCE

20. The conference agreed that it is important, not only for the United Kingdom and the sterling area but also for the world, that sterling should resume its full role as a medium of world trade and exchange. An integral part of any effective multilateral system is the restoration of the convertibility of sterling but it can only be reached by progressive stages. The achievement of convertibility will depend fundamentally upon three conditions:

(a) the continuing success of the action by sterling commonwealth countries themselves as outlined above;

(b) the prospect that trading nations will adopt trade policies which are conducive to the expansion of world trade;

(c) the availability of adequate financial support through the international monetary fund or otherwise.

Commonwealth Conference

PROCEDURE

21. It is proposed to seek acceptance of this plan by the governments of the United States and of European countries whose co-operation is essential and to work, as far as possible, through existing international institutions dealing with finance and trade.

22. The timing of the successive stages of this plan cannot be decided at present. This can only be judged as the necessary conditions are satisfactorily fulfilled.

CONCLUSION

23. The conference is happy to be able to present this account of the confident understanding which exists between members of the commonwealth and the wide measure of agreement which they have been able to achieve over the whole range of economic policy. The aims of their co-operation are entirely consistent with their close ties with the United States and the members of the organization for European economic co-operation. The commonwealth countries look outward to similar co-operation with other countries, not inward to a closed association. It is their common purpose, by their own efforts and together with others, to increase world trade for the mutual benefit of all peoples.

HOUSE OF COMMONS

Tuesday, December 16, 1952

The house met at eleven o'clock.

ROYAL CANADIAN AIR FORCE

GOOSE BAY STATION—LEASE OF LAND TO UNITED STATES

Hon. W. E. Harris (Acting Secretary of State for External Affairs): I beg leave to table copies of notes exchanged by the Acting Secretary of State for External Affairs and the United States ambassador on December 5. The notes constitute a lease to the United States of certain parcels of land within the Royal Canadian Air Force station at Goose Bay in the province of Newfoundland. The lease, which is to enable the United States air force to replace wartime construction and to construct some additional facilities, involves approximately 7,000 acres of land which is less than ten per cent of the area of the base. The field will continue to be under the over-all command of the R.C.A.F.

Goose Bay airport was built by Canada in 1942—before Newfoundland entered confederation—as a stepping-stone along the North Atlantic and Arctic airways. During the war thousands of aircraft put down there on ferry flights from the United States and Canada to Europe. Since the war Goose Bay has been used by the R.C.A.F. and the United States air force to support certain northern weather stations, and it has served also as a centre for search and rescue operations in the area.

In view of the increased international tension during the last three years, the R.C.A.F. and United States air force facilities at Goose Bay have been considerably expanded. The base is, in effect, a joint defence installation, and is being used by both air forces for the co-operative defence of North America. Its use by both countries is essential for the fulfilment of their responsibilities under the North Atlantic treaty.

The lease is for a period of 20 years, with the proviso that any United States request for an extension will be considered by Canada in the light of the common defence interests of Canada and the United States.

When the lease has expired, all buildings on the leased area will become the property of Canada, but removable improvements may be taken away by the United States air force.

PRIVATE BILL

FIRST READING—SENATE BILL

Bill No. 43, respecting Beaver Fire Insurance Company.—Mr. Rooney.

FOOD AND DRUGS ACT

REVISION AND CONSOLIDATION

Hon. Alphonse Fournier (for the Minister of National Health and Welfare) moved the first reading of Bill No. 48 (from the Senate), respecting food, drugs, cosmetics and therapeutic devices.

Motion agreed to and bill read the first time.

NATIONAL DEFENCE

CURRIE REPORT—TABLING OF LETTER FROM CHIEF OF GENERAL STAFF

On the orders of the day:

Mr. George A. Drew (Leader of the Opposition): I would ask the Prime Minister, Mr. Speaker, if he will table the letter or a copy of the letter to which he referred yesterday from the chief of the general staff, in view of the fact that it has been made a part of the general material in connection with Mr. Currie's report. Would he table also any other correspondence relating to the letter from the chief of the general staff?

Right Hon. L. S. St. Laurent (Prime Minister): I had intended, Mr. Speaker, to table it, and thought it was being tabled yesterday, but the Clerk pointed out to me that under what had been said it did not become a part of the records of the house, but would be printed, as had been suggested, with the report of Mr. Currie. But if it is desired to have it laid on the table as a part of the official records of the house, I shall be glad to have that done. I thought it had been done, but it was pointed out by the Clerk that, under what had been said, it had not been a part of the records of the house. I take it that it is desired that it become a part of the records of the house.

Some hon. Members: Agreed.

Mr. St. Laurent: Then I will see that it is done. I will make sure whether or not there is any other correspondence. There is none to my knowledge, but I will make inquiry in that regard.

Mr. Drew: So that there may be no misunderstanding about the matter, may I say that what I had in mind was that perhaps there was, from either the minister or someone in the department, a letter which indicated how the copy of the report came into the hands of the chief of the general staff, and whatever correspondence there was that prompted the reply from the chief of the general staff. That is particularly what I have in mind.

Mr. St. Laurent: My information is that there is no correspondence and that the copy of the report came into the hands of the chief of the general staff in the manner mentioned by the Acting Minister of National Defence (Mr. Campney) yesterday; that is to say that on his instructions, when two copies were sent overseas, one for the Minister of National Defence (Mr. Claxton) and one for me, a copy was handed to the chief of the general staff.

[Later:]

Mr. St. Laurent: Mr. Speaker, if I may have the consent of hon. members, I would ask you to revert to motions so that I might lay on the table a copy of a letter from the chief of the general staff requested this morning by the Leader of the Opposition. I read it yesterday, and I now beg leave to table copies of that letter.

The Leader of the Opposition asked:

> Would he table also any other correspondence relating to the letter from the chief of the general staff?

Then later he said:

> So that there may be no misunderstanding about the matter, may I say that what I had in mind was that perhaps there was, from either the minister or someone in the department, a letter which indicated how the copy of the report came into the hands of the chief of the general staff, and whatever correspondence there was that prompted the reply from the chief of the general staff.

I have made diligent inquiries and there is no such correspondence.

REPARATIONS

PAYMENT OF JAPANESE AND GERMAN REPARATIONS

On the orders of the day:

Hon. Alphonse Fournier (Acting Secretary of State): Mr. Speaker, in the absence of the Secretary of State (Mr. Bradley), I should like to answer the question asked by the Leader of the Opposition (Mr. Drew) on Friday, December 12. The question was as follows:

> Will he inform the house as to what progress is being made in regard to the payment of Japanese and German reparations in pursuance of the report made to the government by Chief Justice Ilsley of the province of Nova Scotia?

The answer is as follows:

The payment of compensation to Canadians in respect of war claims:

Up to and including December 12, 1952, 1,210 cheques totalling $1,635,265 have been issued and send out to former prisoners of war of the Japanese. One cheque totalling $1,085 has been issued and sent to a former civilian internee of the Japanese.

Under the war claims interim compensation rules four cheques totalling $7,000 have been sent to civilian claimants in respect of death or personal injuries, three claims arising out of the sinking of the S.S. *Athenia* and one claim against the Japanese.

ATOMIC ENERGY

DAMAGE AT CHALK RIVER PLANT

On the orders of the day:

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, yesterday the hon. member for Vancouver-Quadra (Mr. Green) asked me whether I could inform the house as to the incident which occurred at Chalk River on Friday last. I can now report as follows:

About 3.15 on Friday afternoon, December 12, a burst occurred in uranium rods during a normal operation. The release of radioactive gases and dust from the rods was carried as usual by the ventilating system up the tall stack from which it would normally be widely dispersed. Owing to the atmospheric conditions at the time and the severity of the discharge, the area of the plant became contaminated causing the alarms to go off and the "stay-in" signals were at once given. The activity at the remote buildings died off in a matter of some minutes but the health surveyors found activity remaining in the laboratories nearer the pile building and to avoid the spread of contamination which would affect the research instruments and laboratories by people walking around, it was decided to evacuate all personnel who were not essential to operation. The evacuation siren was sounded and all employees, except the scientists and engineers attending the reactor, and all senior officers, left the plant in a very orderly fashion, without panic and according to the procedures set down for such emergencies. No one was hurt or injured by contamination, though the clothes of a few men in the pile building were removed as a precautionary measure until the short-lived activity on them died down. I am informed, however, that it will take several days to clear all the laboratories of contamination which,

although well below the level standard for human tolerance, does seriously interfere with scientific instruments and experiments.

Bursts of rods have occurred before at Chalk River but this one was more severe and atmospheric conditions were such as to reduce the dispersion. Bursts have occurred at other atomic energy plants, and must be expected when scientists are dealing with such a powerful source of energy of a new type and have still much to learn about the behaviour of materials under high irradiation. The metallurgical changes which may be produced by such powerful neutron bombardment is one problem on which scientists are still working.

The reactor is now being cooled off to permit the engineers and scientists to undertake a complete examination, discover the real trouble and make any necessary repairs. In the meantime, however, all scientific, maintenance and operating personnel are now back to work and fully occupied.

It should be remembered that NRX is an experimental plant designed during the war when there was little if any operating experience and, as in all novel development work, it is from the troubles met in experimental establishments that enough experience is gained to design large-scale industrial plants.

Mr. Green: Will the reactor be out of operation for some time?

Mr. Howe: Until it can be cooled off it is impossible to decontaminate the reactor. Time has to elapse to allow the contamination to disappear, naturally. Until it can be decontaminated and the plant examined, it will be out of action. How long that will take, I could not tell you.

INQUIRY FOR RETURN

CENTRAL MORTGAGE AND HOUSING PROPERTY

On the orders of the day:

Mr. F. E. Lennard (Wentworth): I should like to direct the attention of the Minister of Public Works to question No. 7 standing in my name on today's order paper. I would say that, with the exception of one day, this question has been on the order paper since July 2, and I would hope for an early answer.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, December 15, consideration of the motion of Mr. J. L. Deslieres 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. Blackmore.

(Translation):

Mr. Edgar Leduc (Jacques Cartier): Mr. Speaker, I moved the adjournment of the debate yesterday so that I might finish this morning what I had to say on the address in reply to the speech from the throne. I referred yesterday to the speech of the hon. member for Montmagny-L'Islet (Mr. Lesage) who dealt in this house, on December 2 last, with the question of taxation rates and who also stated that the federal government did not take anything away from the provinces. I am of the same opinion.

The federal parliament has the exclusive power to raise funds by any method or system of taxation, either through direct or indirect taxes, whereas the provinces can levy direct taxes for provincial purposes only. These powers are conferred by sections 91 and 92 of the B.N.A. Act of 1867.

Has anyone replied to the speech made by the hon. member for Montmagny-L'Islet on that subject? Not at all. It is merely insinuated that the poor province of Quebec is being ill-treated.

The Ottawa government must discharge its obligations to the whole of Canada. In order to do so they must collect sufficient revenue through the methods of taxation at their disposal.

If, as was stated yesterday by the hon. member for Chicoutimi (Mr. Gagnon), the chamber of commerce approves the obstinate refusal by the premier of the province of Quebec to accept federal subsidies, it nevertheless recognizes the beneficial administration of the federal government. So true is this, in fact, that we can read the following in an article entitled "The Chamber of Commerce: Facts and Trends," and dated March 19, 1952:

> It is a fact that Canada's prestige in the community of nations is increasingly greater. Even the Americans recognize in this country one of the world's most progressive nations.
>
> Immigration to Canada adds 150,000 new consumers each year to our population; a formidable figure. For industrialists and businessmen, these figures have far-reaching economic consequences.
>
> In 1939, the gross value of Canadian production amounted to approximately 5 billion and a half; today, the gross value of this production amounts to 17 billion dollars.
>
> Canada has been lucky enough to achieve a better balanced economy, which has made her more impervious to fluctuations on the markets of the world. In 10 years, iron and steel production has increased threefold; production of electric power has done even better and the volume of aluminum production has multiplied five times. In a single year, 1950, Canada manufactured more refrigerators than in 1938 and 1939 together.

Eastern Canada draws a large part of its oil supply from the Alberta oil fields. Canadian oil fields compare favourably with the continent's most important fields. We have reserves for many centuries to come.

In a few years from now, i.e. in 1955, the works undertaken in Ungava will already have made possible the development of the amazing mineral deposits in that district. An output of 20 million tons a year is anticipated, once the St. Lawrence waterways project is completed.

Every year Canada receives foreign capital that helps her develop her natural resources. At the same time Canada is becoming more and more a creditor nation as far as the other countries of the world are concerned.

All these figures and statistics have but one aim: to give the assurance to the Canadian people that their country has boundless possibilities. We are a privileged people and we need but show initiative to provide for ourselves an enviable future.

If Canada has succeeded in gaining the attention of people of other countries, all the more reason for her own people to have confidence in her. We must not lose our optimism.

In view of that article and the few others I quoted last night, praising the Canadian government's administration, I believe we should all unite in a common effort as is suggested in the article entitled "Facts and Trends" published by the chamber of commerce.

(Text):

Mr. D. S. Harkness (Calgary East): Mr. Speaker, I should like to make some remarks in connection with the Currie report which was tabled in the house yesterday. I have had the report in my possession only for a very short time, and therefore I have not had an opportunity to read it and digest it thoroughly; but even on a first reading of it one is immediately struck by certain statements, some of which were pointed out to the house yesterday by the hon. member for Nanaimo (Mr. Pearkes), and which are extremely disturbing.

It would help our understanding of the whole situation to go back and take up something in connection with the history back of this report. The first mention of it was in the speech of the Minister of National Defence (Mr. Claxton) on April 21 of this year, to be found at page 1424 of *Hansard* of that date. I quote from the speech:

Mr. Speaker, following the discovery and investigation of grave irregularities in the engineer detachment at Petawawa camp, charges have been laid.

And so on. Then further down in the same remarks we find the following:

The irregularities first came to the attention of the department several months ago and arose out of the disposal of scrap under contracts made by Crown Assets Disposal Corporation for the sale of thirty tons in 1950 and fifteen tons in 1951.

[Mr. Leduc.]

Mr. Diefenbaker: On what date was it first ascertained that there was any trouble?

Mr. Claxton: In October, 1951.

According to this statement of the minister, the department knew, and he knew, that there was trouble there in October 1951, many months before the Petawawa irregularities were disclosed to the general public by the R.C.M.P. investigation. The question then immediately arises: if the department knew of these irregularities, why was nothing done about it? To begin with the minister says "following the discovery and investigation of grave irregularities in the engineering detachment"; in other words, the impression is given that the discovery of these irregularities was made only as a result of the R.C.M.P. investigation. By his own statement it will be seen that these irregularities were known for many months before that, back in October. As a matter of fact, if we refer to the report at page 4, and also appendix B, we see the same thing borne out. On page 4 Mr. Currie says:

It must be said that internal warnings had not been lacking in the Department of National Defence. The chief auditor of the department had performed his functions conscientiously. Time and again he had reported unsatisfactory conditions.

And so forth. That is clear from appendix B. If you refer to appendix B you find, as a matter of fact, that the chief auditor reported on different dates twenty different types of irregularities. If you count them you will find that the number of these irregularities—I made a rapid count—are 159 altogether. These were not all at Petawawa; these were at different camps; but irregularities to the number of 159 had been reported in the years 1950, 1951 and 1952. In other words, the auditors were reporting irregularities at least as far back as 1950.

If we move from that to the reports of the defence expenditures committee of last year we find that reports quite evidently containing irregularities were made as far back as 1949. In the committee we had been talking about these auditors sent out by the auditor general of the department. Then at the close of the day I said, as reported at page 161 of the committee report:

Q. I have one more question. On page 16, it reads:

"At the close of an audit all matters requiring attention are discussed with the commanding officer and other officers concerned. A written report is forwarded to the assistant deputy minister covering each inspection, and he forwards it to the chief of staff concerned with his comments".

Now, I do not suppose you can answer these questions now, but you can bring them in next week.

The questions were:

When was the last inspection of this type made in Petawawa, and, secondly, when was the second last

inspection at Petawawa of this kind made, and thirdly, what was disclosed in regard to theft or material missing in each of these reports.

Well, the answers to these questions were brought in at the next meeting of the committee on May 8, and at page 172 the discussion is found. The point is that the only thing that was brought in was the dates, and after a long discussion any information as to what was concerned in those reports was denied, with various members on the government side of the house making specious arguments that it was not in the public interest to disclose what was in those auditors' reports. It was quite evident that the only reason that the auditors' reports were not disclosed to the committee was that they contained reports of irregularities which the government at that time was anxious not to have made public. The dates on which these audits were made are rather significant. At page 173 a list of them is given. We find that audits of various units at Petawawa were made on June 18, 1951, June 5, 1951, May 12, 1950, another one on May 12, 1950, for another unit, May 6, 1950, May 23, 1949, May 6, 1950, May 1, 1949, and so on. Then, there were two more of them in 1949.

It is quite clear from this that these reports of irregularities had been coming in over a period of years to the Department of National Defence. Under the procedure they came to the assistant deputy minister or the deputy minister, and I am sure were referred to the Minister of National Defence (Mr. Claxton). In spite of all these reports, apparently nothing was done to correct the situation, as appears in Mr. Currie's report, until after the matter became public as the result of the investigation by the Royal Canadian Mounted Police.

Now, if we refer back to the speech delivered by the Minister of National Defence on April 21 last we find he said this:

> The investigation—

That is, the one at Petawawa.

> —has disclosed no foundation for the reports alleging irregularities and deficiencies in the construction of buildings in the twenty-two major construction projects under way at Petawawa.

If one refers to the report, however, he finds at pages 6, 7, 8, 9, and 10 of that report various irregularities, so far as construction is concerned. For instance, we find at page 8 that in certain cases—

> —persons buying army material were asked not to make cheques in payment (in whole or in part) to the receiver general but to individual army personnel. The amounts thus paid did not reach the public treasury.

Then a dam was built at Tucker creek at a cost estimated at some $3,000 or $4,000, and the report states:

> Its utility is not clear to me, and it was, in any event, not authorized by army headquarters.

And so on. Therefore, in these cases we see irregularities, so far as construction matters are concerned. It is possible that none of these irregularities in construction was in the major projects which the minister mentioned specifically; but certainly it would be at least misleading to the house to say that no irregularities had been found in construction, and to attempt to say, as he did, that nothing irregular was found in connection with the twenty-two major construction projects.

As a matter of fact we find in four pages of this report various instances of irregularities, so far as construction is concerned. Then, if we turn to appendix B—and I am not going to deal with it in detail—we find that, so far as Petawawa is concerned, a considerable number of irregularities which occurred were regarding construction matters. They were in the nature of illegal work orders, and things of that kind.

Another matter to which the report refers is the lack of administrative and managerial ability, poor accounting, and things of that sort, so far as the army works people are concerned, and the finding that the same thing applies throughout. At page 17 of the report we find this statement in that connection:

> The situation was complicated by still another factor. The Department of National Defence (including the army works services) was largely staffed and manned by men whose military training had been received in wartime. Its establishment and administrative practices reflected more clearly the urgent needs and exigencies of war, when speed is everything and costs count not at all. The carry-forward of this war psychology must be coupled with inadequate training and resultant ignorance on the part of personnel of their administrative duties and responsibilities.

That is the very thing about which those of us on this side of the house have complained on several occasions here, in the past. I am not going back to quote from *Hansard*, and to set out the particular instances of it. However, a good deal of the difficulty in the Department of National Defence was because comparatively inexperienced men, so far as important administrative jobs were concerned, were in charge.

Once again, that is entirely the responsibility of the government. And it arose in this way, that following the war the government pursued the policy of dismissing practically all the men who had any considerable amount of experience before the war in what one might call general administrative work of the army. As a result they left in the

army only those men who had gained their experience during the war and who, as a result of that, did not have the experience to carry on the more general administrative duties required during a period of peace.

The policy followed was to retire a considerable number of senior officers many years before the normal retirement age. This was not confined to officers, because many others including warrant officers, staff sergeants and the like, were retired years before their period of useful service was up. They were the very men who in the years before the war had been trained in accounting methods, administrative procedure and the like, required to run an army in peacetime. The result of the government's policy of discharging what one might call the older and experienced men in the service, and in many cases discharging them long before their time was up, was that they were left with an army run by men who had gained their experience during the war when, as the report points out, a war psychology prevailed and speed was everything. Ideas about economy and things of that nature just did not exist.

The next point I should like to discuss has to do with the changes which were made in the report, as indicated by the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Murray (Cariboo): May I interrupt the hon. member?

Some hon. Members: No.

Mr. Harkness: If the hon. member has a question, I shall be pleased to answer it; but I do not want him to make a speech.

Mr. Murray (Cariboo): On a point of order, the point is this—

Mr. Fleming: Question.

Mr. Harkness: If the hon. member has no question, then I am going to carry on.

Mr. Speaker: The hon. member may rise to a point of order.

Mr. Murray (Cariboo): My point is this, that I think the discussion of this matter is totally out of order until hon. members have copies of *Hansard* on their desks—

Some hon. Members: Oh, oh.

Mr. Murray (Cariboo): —so that we can be informed about the matter under discussion.

An hon. Member: It was tabled.

Mr. Murray (Cariboo): It is not available, and private members in the house are not informed as to the material under discussion. And until they are, this discussion should be postponed.

Some hon. Members: Oh, oh.

Mr. Speaker: The hon. member should be allowed to state his point of order. However, my ruling would have to be that the report was tabled yesterday and it is therefore, in accordance with our rules, debatable today.

Mr. Harkness: Mr. Speaker—

Mr. McIvor: On a point of order; I think it would be better cricket on the part of the opposition to wait till the Minister of National Defence (Mr. Claxton) is present to discuss the Currie report.

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Harkness: I would say, as an aside, that the attempt being made at the present time to prevent my saying anything about the Currie report is indicative of the attitude taken last year in the defence expenditures committee, at which time constant efforts were made to block the securing of information in regard to this and other matters which government members thought would be embarrassing to the government.

Mr. Stick: I do not rise in this house very often but a charge has been made against members of that committee, that we were trying to block information. I deny that charge and the hon. member knows that what I am saying is true.

Mr. Speaker: The hon. member for Calgary East (Mr. Harkness) should be allowed to continue.

Mr. Harkness: Mr. Speaker, I trust that these interruptions will not be counted as part of my time for speaking.

In regard to what the hon. member from Newfoundland has just said, all he has to do is to refer to pages 172, 173, 174, 175 and so on of the report of the committee proceedings, and he will see how the information contained in the auditor's report was denied.

Mr. Brown (Essex West): Read them.

Mr. Harkness: I am not going to take time to read a thing like that but there were a number of instances where information was denied. The hon. member's denial of what I have just said indicates his lack of knowledge of what went on in the committee.

Mr. Stick: Not a bit of it.

Mr. Brown (Essex West): Let us hear from the brass hats.

Mr. Harkness: To continue, the changes which have been made in this report are

particularly significant, and particularly damaging to the government. I think that the people of this country expect that when a man is appointed to conduct an inquiry into a particular matter the report which he turns in will be the report tabled in this house and given to the people. They do not expect, and they will resent very strongly—as I am sure most members of this house will resent—any tampering with the report submitted.

From what has been presented to us by the hon. member for Winnipeg North Centre it is quite clear that considerable tampering with the report has taken place. I would refer to page 17, particularly, where it is stated—and I have just read the preceding part in regard to the spirit which permeated the army, carelessness and so forth—

> But, if this spirit permeated the lower echelons of the army, it is more difficult to condone the same attitudes higher up.

In the original report it said:

> It is more difficult to condone the same attitudes at or near the top.

Now, where does "at the top" mean? "At the top" means the Minister of National Defence (Mr. Claxton) and nobody else.

The report goes on:

> There, a higher degree both of intelligence and responsibility is essential. It was not always present in the degree required.

That is what this copy says, but the copy which the hon. member for Winnipeg North Centre has says:

> There, a higher degree both of intelligence and responsibility is essential. It was not present in the degree required.

The "always" was not there and there is a material difference in the sentence. The substitution of "always" gives the impression that the requirements were only occasionally not there. When the "always" is taken out it means that they were just not there throughout.

Now, Mr. Speaker, these various changes which have been made are, I think, indicative of the attitude on defence matters which we have experienced in this house for some years. We have complained about this attitude very frequently. We have stated that we did not get full and frank statements in regard to what the defence situation was. The statements made in this house have been ones which served to conceal what the truth was—rather than making it known to this house and to the country as a whole.

I have had several exchanges with the Minister of National Defence in connection with the number of guns which we have had in this country. Those exchanges can be found in past *Hansards*. I always received evasive answers. The business of changing this report is, as I say, just indicative of a continuation of that same process and that same spirit which has been observed here over several years. There has been a constant effort to prevent the true facts as far as defence is concerned being given to this house and to the country. Once more, I protest very strongly against it.

Along the same lines, the Minister of National Defence has always insisted that everything was perfect as far as the defence department was concerned. According to his story any criticism, even of a minor nature, was not justified. It did not matter what the situation was at any particular time. According to him we always had just the right number of men; we had all that we needed; we had the right complement of arms, and so on. As the situation changed it became evident that the armament we had at one time was perhaps sufficient but it was not sufficient later when the Korean war developed and when a general war became imminent. Nevertheless, according to the minister everything was perfect.

That general attitude on the part of the minister naturally had a very bad effect as far as personnel of the services were concerned. Its natural effect was to induce in the officers and men of all services a certain feeling of perhaps smugness and carelessness. It would be very much the same thing in a commercial enterprise if the boss of that enterprise let it be known that he did not care whether his employees came to work late. It would not be very many days before everybody would be coming to work late. It was the same sort of thing as far as the Department of National Defence was concerned. The minister always insisted that everything was perfect. The natural reaction on the part of officers and men was not to improve things and not to make sure that irregularities did not occur—but they felt satisfied with the situation the way it was and they just let things run.

From that point of view, I think the government and the minister have been very much to blame and are responsible for the situation that has developed and that is indicated in this Currie report. This report, of course, deals only with one small branch of the army—the army works services—and more particularly what happened in that branch at one particular camp, at Petawawa, although a number of other places were investigated. The question naturally arises as to what the report would be if a similar investigation were made in other branches of the armed services. If a situation of this sort was revealed in one small branch it

would seem to indicate a very strong necessity for a similar type of investigation and report on other branches of the service—as a matter of fact on the service as a whole.

The hon. member for Nanaimo last night pointed to and argued for the necessity of a commission to investigate defence matters generally. I think there is no doubt but that there is a strong necessity for something along that line.

This report contains a large number of important suggestions for improvement. There is one in particular to which I would just like to pay a small amount of attention. The suggestion is for the establishment of what is called a pilot plant. This suggestion is found on page 40 of the report:

> Pilot Plant
>
> In view of the urgent need to apply immediate remedial measures, it is suggested that consideration be given to the setting-up of one of the army works companies as an example of the ideal to be attained. In choosing this special company, care should be taken to select one in a suitable area and with as nearly a perfect layout, equipment and facilities as is possible. The administrative arrangements, as well as the operational organization, should be most carefully set up to provide a model company. Such a company would be in the nature of a "pilot plant" to which officers and other ranks from other companies could be temporarily posted to obtain rapid and concentrated instruction as to how a works company should be organized and operated.

I think that is something that should be done not only so far as works companies are concerned but also throughout the services generally. For instance, it was one of the regular recognized procedures in the German army to have what were known as training battalions. It was by means of these training battalions that the German army was able to build itself up as rapidly as it did prior to the last war and to replace its losses as quickly as it did through recruits from training battalions. That is one suggestion that I should particularly like to see adopted, and it should not be confined to works companies but should be general in its application.

I have attempted to show, Mr. Speaker, that first of all the losses at Petawawa had been going on for a considerable period of time. That is evidenced by the fact that the auditor's reports going back to 1949 were not produced. It is quite evident that those reports contained references to irregularities that were occurring at that time. As the report makes clear, during all this time nothing was done to correct the irregularities and to improve the general administrative services of the army. It is quite clear that the situation which prevailed was known by the Minister of National Defence (Mr. Claxton), and as far as we can ascertain he took no action to correct it.

The responsibility for the situation indicated by the report, which situation would make one very much afraid that the same poor administrative and accounting practices might be found throughout the services, rests squarely on the Minister of National Defence and on the government. When the hon. member for Nanaimo was speaking yesterday there was a lot of comment from interrupters immediately to my right. They kept on muttering, "the general staff, the general staff."

An hon. Member: The brass hats.

Mr. Harkness: In other words, apparently it was their idea to try to make the general staff the scapegoats in this matter. I do not maintain for one moment that no responsibility for these irregularities rests on the general staff. There is no question that they must bear a share of the responsibility.

Mr. Murray (Cariboo): Oh, no!

Mr. Harkness: However, any attempt to make the general staff the goat for this situation will not go down so far as the country is concerned. The government and the Liberal party are very fond of making people scapegoats. They made a scapegoat out of Fred McGregor over the combines situation. They got into difficulties there and they kicked him out. They used him as a scapegoat. They made a scapegoat out of Brigadier Connelly with respect to certain international difficulties. They made a scapegoat out of Mr. Pitt because they were apparently put out over something. In other words, their general policy seems to be to make scapegoats out of people. In this particular case I do not think they are going to be able to get away with it. The only goat in this whole matter is the great big nannygoat from which the Liberal members all receive their milk, the government. It will be quite plain to the people of the country that it is the government which is the goat.

Mr. Murray (Cariboo): The brass hats will get theirs before this is over.

Mr. Harkness: That remark is exactly indicative and symptomatic of the comments that came from the same quarter yesterday. They are going to blame it on the brass hats. They say: "The brass hats are the only people who are to blame. We will kick them in the pants. The public will soon forget and everyone will be happy." I am quite sure that is not going to be the situation. The so-called brass hats are not going to be made the goats in this affair. All the responsibility is not going to be placed on them.

Mr. Larson: Will the hon. member permit a question?

Mr. Harkness: I should like to finish what I am saying. I will answer questions afterwards.

Mr. Larson: You can't take it, eh?

Mr. Harkness: There is no question that the responsibility for the situation rests squarely on the government. As I have indicated, the government knew what was going on and they took no action. Under British practice, when a minister's department is shown to be so poorly administered and when it is clear that he had knowledge of the situation and took no action, there is no question that it is the accepted thing for the minister to submit his resignation. I think that the normal British practice should be followed and that the Minister of National Defence, as a result of what I can only call his dereliction of duty with respect to this whole matter, should submit his resignation.

Mr. Larson: Will the hon. member permit a question? Who runs an army camp? Is it the Minister of National Defence and his staff or is it the commanding officer of the camp?

Mr. Ross (Souris): Do you know about government responsibility?

Mr. Harkness: That is exactly the point I am making. The commanding officer of a camp is responsible; there is no question about that. But the head of the Department of National Defence is responsible for irregularities that arise as the result of lax administration and failure to do anything to improve the administration. The report makes it abundantly clear that there was such failure. Any attempt on the part of the government to say that it is not their responsibility is shown to be completely wrong by the facts. As a matter of fact, if the hon. member who asked the question, and who has a farm in Saskatchewan, had a few people training in the vicinity of his farm who popped a shell into his barn and killed a couple of his prize cows I do not think he would hold responsible the man who pulled the trigger, the man who loaded the shell, the man who laid the gun or the officer in charge of the particular detachment. He would hold the government responsible, and when he instituted suit to recover damages for the monetary loss he had suffered he would not sue the individual gunner. He would sue the government.

Mr. Larson: If the hon. member were the commanding officer of an army camp would he welcome government officials running around his camp inspecting things that were going on and more or less casting doubt on his authority as the commanding officer of that camp?

Mr. Harkness: If the Minister of National Defence sent an auditor or an inspection team to inspect my particular camp I would do everything I could to make their stay as pleasant as possible and to show them everything that was there. That is the only thing I could do.

Mr. McCusker: Did I understand correctly the hon. member who has just spoken when he insinuated that Liberal members were living off graft from the government? Would he clarify that point?

Mr. Harkness: I never mentioned the word "graft".

Mr. McCusker: I did not say the hon. member mentioned it. I said "insinuated".

Mr. Hees: If the cap fits, wear it.

Mr. Rowe: We never thought of it until the hon. member mentioned it.

Mr. Harkness: The fact that the hon. member for Regina City (Mr. McCusker) has mentioned the word "graft" would seem to indicate that there must be some uneasy consciences.

Mr. McCusker: I assure the hon. member that my conscience is just as easy as his so far as receiving anything from the government is concerned or from the point of view of service to my country. Just like the hon. member, who called me gutless last year because I did not answer questions when I was making a speech, I have a right to speak and I have not spoken—

Mr. Deputy Speaker: Order.

Mr. McCusker: But I—

Mr. Deputy Speaker: Order. The hon. member has risen on a question of privilege.

Mr. McCusker: My question of privilege—

Mr. Deputy Speaker: The hon. member for Calgary East has explained what he said previously. If the hon. member wants to make a speech, he is allowed to do so but he will have to wait until his turn comes. I understand that the hon. member for Northumberland, Ont. (Mr. Robertson) is now ready to take the floor.

Mr. Harkness: In regard to the question of privilege, I would like to say that I accept fully the member's statement that his conscience is perfectly clear, and that his service to his country is beyond reproach. I accept that very gladly.

Mr. F. G. Robertson (Northumberland, Ont.): In joining in this debate, Mr. Speaker, I should like to extend my personal congratulations to the mover (Mr. Deslieres) and seconder (Mr. Schneider) of the address in reply to

the speech from the throne. Both of these gentlemen who were afforded this high honour discharged their responsibility in an admirable way and are deserving of the tributes which have been paid to them in the course of this debate.

As hon. members of this house know, I have the honour of representing one of the finest agricultural ridings in Canada, the county of Northumberland, Ontario. It is a justly deserving tribute that the first world's plowing match will be held in Northumberland county next October on the occasion of the Ontario plowmen's association annual international plowing match. This world's championship plowing match, as I have said, will be held in Canada for the first time. It has been indicated already that some ten countries will send contestants to this international match. I believe that Great Britain, southern Ireland, Finland, West Germany, Norway, Sweden and Canada have indicated that they will take part in this match. I am informed also that France, Belgium and the United States are likely to send contestants.

Each country will be represented by a three-man team consisting of a horse plowman, a tractor plowman and a coach. This world's championship plowing match will be held under rules and regulations which have been adopted by an international conference which was held in Falkirk, Scotland, just recently. This speaks well for the co-operation of these countries, because there must have been a willingness on the part of these different countries to forgo certain regulations common to their plowing at home in order to adopt regulations which are peculiar to other countries. I am informed that the nations will demonstrate some of their own plowing techniques, and that an international board of judges will pass on the competition. You will see that there will be a cosmopolitan flair to this great gathering.

Canada is honoured in being selected as the site for this first world's plowing match. It is to be an annual affair, and I understand that it will be held in southern Ireland in 1954; in Sweden in 1955; and in Great Britain in 1956. In addition to the world's championship match, next year's gathering at Cobourg will continue to display all the features which have made the international plowing match one of the outstanding events in agricultural circles. I wish to congratulate all the officials of the international plowmen's association on the wonderful event they promote each year; on their hard work and endeavours which make this annual match an outstanding success. I should like to congratulate also those citizens of Northumberland and Durham who have made possible the holding of this match in our area. I commend them for their unselfish public service. I know that the citizens of our area will do everything possible to discharge their responsibility as hosts to this event. I am sure that this event at Cobourg will be one of the most outstanding ever held. I wish to extend an invitation to all hon. members of this house to come to Cobourg for this great match next year. I am sure you will be most welcome and you will have an interesting and profitable time.

In previous speeches in this house I have expressed my interest in and concern for the welfare of agriculture in this country. I regret to see the decline in prices in certain agricultural products, and I am sure that such decline must be looked upon with real concern by all of us. We know that the prices of some agricultural products, particularly apples, vegetables, whole milk and potatoes, are about as high as they have been in our history. The prices for butter, eggs and cheese are fairly satisfactory. It is for the prices of beef and pork products that we have the greatest concern. These prices were quite satisfactory until the outbreak of foot-and-mouth disease in Canada with the resultant closing of the United States border. I should like to congratulate the government upon the good work that was done in the eradication of foot-and-mouth disease from this country. I think there is no doubt that this matter was handled in a most efficient way. Never in the history of this disease has it been wiped out within such a short time.

A few days ago we listened to a speech delivered by the hon. member for Calgary East (Mr. Harkness) on the subject of farm prices in Canada, particularly the prices of pork. He made what I would consider to be a wholly political, prejudicial speech. He did not take into consideration the various difficulties which confront the government in dealing with this matter. He accused the government of having a deliberate policy of destroying the hog industry in Canada.

Some hon. Members: Hear, hear.

Mr. Robertson: Can you imagine anything more untrue than that? This government has done much to aid the Canadian hog industry. They have set floor prices and they are buying hogs and canning them. It is true this is done at a loss, but nevertheless it is a great aid to the hog industry. I believe that the farm prices support legislation has been a great aid to the hog and beef producers of this country. Had we not had this legislation, the prices for hog products and beef products would have fallen drastically and the producers of these items would have suffered severe losses.

The hon. member for Leeds (Mr. Fulford) has placed on the record, during the course of this debate, a comparison of farm prices in Canada and farm prices in other parts of the world. Almost without exception the prices in Canada are higher than in any other country. I believe that the support legislation this government has introduced is largely responsible for that fact. All the people in Canada have enjoyed great prosperity for the past number of years. I believe that most of us would welcome a reduction in the prices of various goods. We do know that the prices of agricultural products have declined more than the prices of other goods, but I think it has always been an economic fact that farm prices fall before the prices of other goods. I believe that the farmers of this country have a right to expect that the prices of the items they buy should, in a short time, follow suit. If that does not happen, then a large part of the purchasing power of our farm group will gradually dwindle and the people in other occupations in Canada, in other industries, will suffer. Most of these people will then be earning less than they do today.

In recent years farming has changed a great deal. It was not long ago that a man could start farming with a small investment. Today he requires a large investment. He must show considerable skill and experience in developing his farm operations. I believe, therefore, that people in all occupations in Canada must realize that the farmer cannot and will not return to the low prices which prevailed during 1930 and 1939. During the war the federal government exercised certain controls over agricultural products. The courts have ruled that in peacetime this is the responsibility of the provincial governments. The provincial governments or at least some of them recognize this responsibility and particularly in Ontario they have set up marketing boards whose function it is to look after the sale of farm products in Ontario. I think that these marketing boards are doing a wonderful job and certainly should receive the co-operation of farmers in Ontario.

I mention these facts not to shift responsibility from the federal government to the provincial governments but simply to tell you that, in my opinion, all problems which face agriculture can be met by the co-operative efforts of the federal government, the provincial governments and the farm organizations themselves. We have seen an example of this in the handling of the cheese situation not many months ago. Through the co-operation of the federal and provincial governments a fairly satisfactory arrangement was worked out in the cheese industry in Ontario.

I also believe that farm organizations have a real responsibility in the handling of farm marketing. I say that because I believe that farm organizations should be kept informed of the trend in agricultural marketing and should be able to advise their members when it is wise to increase or to decrease production.

We have heard much about trade with Britain with regard to agricultural products. Members of the opposition have indicated that the Canadian government has attempted to stand in the way of trade with Britain. Nothing can be farther from the truth. We have no trade restrictions. Our dollar is freely convertible in all the currencies of the world. Canada has always indicated a willingness to join with other members of the commonwealth in holding conferences. Our various ministers have attended many such conferences from year to year. I maintain that it was not Canada's prerogative to ask for an imperial conference previous to the present time because it is not our custom to tell other countries in the commonwealth what they should do.

We have indicated a willingness to co-operate with other members of the commonwealth whenever they feel that it is in the interests of the commonwealth generally to do so. That is the spirit in which our Prime Minister (Mr. St. Laurent) and the Minister of Finance (Mr. Abbott) went to this conference; and I am sure that all members of this house hope that something may come of that conference to stimulate greater trade not only within the commonwealth but with all countries of the world.

I will always support legislation which I believe, over the long period, is in the best interests of agriculture in this country. By so doing, I believe I am supporting what is good for Canada and what is good for all Canadians.

Yesterday we had presented to parliament the Currie report dealing with investigations by Mr. Currie into the shortages at the Petawawa army camp and other related matters. I regret that private members have not yet had an opportunity of studying this report. What information I have comes from what I have heard in this house and what I have read in the newspapers. I am sure that all hon. members were disappointed to learn of the inefficiency and actual dishonesty which took place in the works services department at the Petawawa camp. The conduct of some of the personnel in this department is disgraceful and they should be ruthlessly punished for their shortcomings.

However, after listening to the speeches of the opposition, I am not sure whether they

are more disappointed by the revelations of wrongdoing on the part of a minute fraction of the army personnel or more elated by the possibility of embarrassing the government at this time. They seem to forget that it was the government who authorized Mr. Currie to make this investigation; that he was afforded every co-operation by the government to determine the true facts; that the government has already brought many of the guilty parties to justice for their crimes and that they have indicated that all responsible for this state of affairs will be severely dealt with.

Furthermore, the report states that it was only at Petawawa that extensive irregularities took place. The camps at Toronto, London, Barriefield, Vancouver, Regina, Quebec and Halifax were investigated, with little ground for criticism being found. This is reassuring to all members of the house and to the people of Canada. It indicates that the vast majority of the army personnel are honest and are doing their duty in the discharge of their responsibilities. The government will, I know, take a serious view of this report and will make the necessary changes which will restore public confidence in the armed services to that degree which is deserved by the over-all performance record of our defence forces.

There is another matter which I should like to bring to the attention of this house. It is one which I should like to have dealt with some time ago, but these charges were made when I was in New York attending a meeting of the economic and social council of the United Nations. These are charges which were made by the hon. member for Peterborough West (Mr. Fraser) on June 24 last, when he was speaking of a new ordnance depot which is being constructed in my home town of Cobourg. As reported at pages 3629 and 3630 of *Hansard*, the hon. member for Peterborough West asks the Minister of Defence Production (Mr. Howe) the following question:

> Why did the minister's engineers select the grounds they did in Cobourg for the ordnance building there? It is swamp land. According to a return tabled in my name, I understand that it will cost $407,250 for drainage plus $70,000 for concrete slabs to be built underneath the concrete tile. That is practically half a million dollars.

I should like to tell the hon. member for Peterborough West that the ordnance depot is not being built on swamp land.

Mr. Fraser: Your mayor said it was.

Mr. Robertson: Just you be quiet and I will tell you. I am sure the mayor never made such a statement.

Mr. Fraser: It was reported in the press.

An hon. Member: Do you believe everything in the press?

Mr. Robertson: Further, I should like to tell the hon. member that the land which has been purchased for this ordnance depot consists of several parcels of land. The initial parcel of land is land which had been held by the town of Cobourg for many years, reserving it for industrial use. Would a town reserve property for industrial use if it were swamp land?

Some hon. Members: No.

Mr. Robertson: Further than that, other parcels of land are being used for various types of farming, some of them for highly specialized types of farming such as fruit growing and the like. Does the hon. member grow specialized fruit on swamp land?

Some hon. Members: No.

Mr. Robertson: I have never seen it done.

Mr. Fraser: Nevertheless, it is swamp land.

Mr. Robertson: As regards the figure of $407,250 for draining, I must admit in all honesty that the hon. member for Peterborough West might have been misled by what I consider was an inadequate answer by the Department of Defence Production in reply to a series of questions concerning the ordnance depot, and which had been placed on the order paper by the hon. member. After asking in previous questions what tenders had been called for this project, what the amounts of such tenders were, he asked in question No. 8:

> What is the estimated cost of draining same and who pays for it?

The Department of Defence Production answered: $407,250, paid for by the Department of National Defence, is the estimated cost of both drainage and sewage. This answer gives a false impression of what this amount of money was for. This amount covers only the sewage disposal system and the storm sewer system to carry off surplus water. In the construction of this type of buildings with all the grounds around it hard-surfaced, you can well imagine the great flow of water which must be taken away during a heavy storm. That is what this money was spent for. It would have to be done on any project of this kind, no matter where built. Not one cent of this contract is for land drainage, as was suggested by the hon. member for Peterborough West (Mr. Fraser).

Mr. Fraser: You evidently have not been up to see the property.

Mr. Robertson: I was there only a week ago. I might tell the hon. member that I am informed by the engineers in charge that this site is quite satisfactory in every way.

Mr. Fraser: It will be now, after half a million dollars has been spent on drainage.

Mr. Robertson: Let me give you another indication of the inaccuracy of the statement made by the hon. member for Peterborough West. I quote again from *Hansard* at page 3630:

> I understand that they have 80-foot piling in the building in this case but in the Royal York hotel, the tallest building in the empire, they used only 38-foot piling.

Here again the hon. member for Peterborough West is entirely ignorant of the facts. The longest pile in the Cobourg ordnance depot is 22 feet in length, with the average being 19 feet. To further refute his charge that the ordnance depot is being built on swamp land, I should like to inform him and this house that the test on the piles now in place at the ordnance depot, as carried out by the engineers of the inspection staff, show that these piles carry far in excess of twice their designed load. May I quote from the national building code to give you some idea of how such piles are tested:

> In testing a pile in place it shall be loaded to twice its proposed working load by additions at not less than four-hour intervals of loads of not more than five tons. Measurement of settlement shall be made and recorded immediately before and after the addition of each load. Such measurement shall be adjusted to compensate for the elastic compression of the pile. The pile shall be considered adequate to support the proposed working load if the total settlement so measured does not exceed one-half inch and if no further settlement occurs after the lapse of forty-eight hours.

I am informed by the engineers that after 48 hours of a load of 100 tons, the total settlement was only three-sixteenths of an inch, which is not one-half of the one-half inch allowed. These piles were designed to carry fifty tons, and I am informed that they actually can carry some three or four times that weight.

We have a very competent staff of engineers in charge of this depot, and as I told the hon. member a few minutes ago, they are satisfied in every way with the site as being suitable for a project of this kind. In addition, we have a firm of outstanding architects, E. C. Parker and Company, who are in charge of the architectural construction of this building. They too have indicated that we have a suitable site. Surely, no further evidence is needed of the ill-advised and totally unfounded charge of the hon. member for Peterborough West. I am letting the cat out of the bag now when I say that the hon. member visited Northumberland county at the annual meeting of the Conservative party a few weeks before, and was content to take common gossip at that meeting as sufficient evidence for his charges.

Mr. Fraser: On a question of privilege, Mr. Speaker, the hon. member is entirely wrong. I visited that site and checked on it personally.

Mr. Deputy Speaker: Order.

Mr. Robertson: I noticed that the hon. member did not deny that he had been at the annual meeting of the Conservative party.

Mr. Fraser: Why should I? You attended the Grit meeting in Peterborough last Thursday and there were only 150 people there.

Mr. Robertson: It is a coincidence that this hon. member should make a speech after visiting the Northumberland Conservative party annual meeting. He also made reference to the fact that I had been in Peterborough some time ago. In fact I was there, and I do not believe that the hon. member for Peterborough West is too happy about the choice of the Liberal party in Peterborough. We have selected a man who, without doubt, will carry that seat for the government in the next election.

Mr. Fraser: I am very happy because he is a personal friend of mine.

Mr. Ferguson: "Carry it without a doubt" —doubt is going to be there, all right.

Mr. Robertson: I cannot understand why an hon. member in an adjoining riding would deprecate at such an early stage the construction of the depot in Cobourg. One would have thought that he would be glad to see some development in that part of Canada in which he appears to be so interested.

Mr. Fraser: I was glad, but I do not see why they should build it on a swamp.

Mr. Robertson: Before concluding my remarks, Mr. Speaker, I should like to express my opinion on national health insurance. I believe that national health insurance must eventually be instituted in Canada. Ours is a rich country, and we have developed one of the finest social security programs in any country of the world. To my mind the development of such programs as old age security, family allowances, pensions for the blind and our national health plan are but means of allowing all the people of the country, particularly those who cannot do so for themselves, to share in the prosperity and development of our country. That has always been one of the principles of Liberalism, and the social security program is one of the main planks in the Liberal party's platform.

I am sure that as conditions allow we shall continue to expand that policy. As a member of the medical profession I look forward to the day when we shall have national health insurance in Canada. I cannot support any form of state medicine in Canada because I believe it would be a backward step in our civilization should we undertake state medicine. I think it is most important that we continue the personal relationship which exists between patient and doctor in Canada today, because if we do not the type of service the patient will receive will be not nearly as good or as satisfactory as it is today. I do not think we want any production line type of medical service in Canada today.

As you know, Mr. Speaker, health is under the jurisdictional authority of the provinces. The government could not and would not at this time undertake any system of national health insurance unless it had the co-operation of the majority of the provinces of this country. It has been indicated to us that only one or two of the provinces are interested in going ahead with national health insurance at this time. We in the Liberal party have always been zealous of provincial rights, and we shall never do anything at any time to interfere with the rights which our constitution gives to the provinces.

Our national health plan has done much to lay the foundation for a national health insurance program. We have provided many thousands of beds; we have trained medical, nursing and technical people to undertake this program, although there is no doubt that we have not yet sufficient of these trained personnel to undertake any form of national health insurance in Canada. Therefore, I say that until we have the facilities which can be built up within the next few years—it possibly will require additional financial assistance from this government in order to expand these facilities—I think we would be most unwise to undertake any form of national health insurance at this time. The cost of such a program would be very, very high, running into many hundreds of thousands of dollars. We are now spending some two billions on defence, and I do not believe the taxpayers of this country can possibly be asked to pay this money at the present time. I think we should continue to study this problem, that we should work in co-operation with the provinces so that, when we do arrive at that stage where we can initiate a national health insurance policy, we can be sure that it will work.

There could be nothing more fatal to national health insurance than for us to start a program before we are prepared, and before we are willing to do for the people of Canada what we say we intend to do. I believe that in due time the Liberal party will initiate national health insurance; and when they do, the people of Canada can look forward to a satisfactory health program.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, it is my purpose to explain why I shall not support the subamendment now before us, and also to deal with certain other matters now before the house. I think it is appropriate that an explanation should appear on the record as to why we propose to vote against the subamendment which, in itself, does not seem to raise any very serious questions, so far as the actual wording is concerned.

The subamendment reads as follows:

> That the amendment be amended by adding at the end thereof the following:
>
> "(f) To bring before this house for adoption, a realistic financial and economic policy that will ensure the orderly development of Canada's resources, guarantee adequate markets at remunerative prices to producers, and provide to every Canadian his just share of the wealth our resources can be made to yield."

Those words, standing by themselves, might appear to be acceptable to most members in the house. I would point out, however, that in the very nature of any amendment or subamendment we must have regard to the interpretation placed upon those words by those who put them before the house for consideration.

There are many statements with which we would not disagree, in their general purport. For instance, there might be difficulty in understanding why anyone would vote against an amendment which expresses regret that the government has failed to introduce a plan for making every Canadian happy under every conceivable situation. But we would, of course, be bound to inquire into the kind of procedure that was contemplated to bring about happiness of that kind.

In this particular case, when we are attempting to decide whether that is the kind of financial and economic policy that we are prepared to support, we must find the interpretation of a realistic financial and economic policy from the explanations made by those who have put forward this subamendment. In the remarks that have been made in support of the subamendment we have been left in no doubt as to the kind of financial and economic policy that is referred to in the subamendment. That kind of policy, in the opinion of those who have put forward the subamendment for consideration, is a financial and economic policy in accord with their conception of social credit doctrine.

I use the words "their conception" advisedly, because I realize that there is a tremendous distinction between the social credit doctrines enunciated by Major Douglas and the social credit doctrines that emerged in this country from sources which have never been fully disclosed.

In so far as the economic policy of the social credit party is concerned I feel sure, from the statements that have been made in the house in support of the subamendment, that no question will be raised, and it would be appropriate to take their own statement of policy in that respect. Therefore I think it proper to read the statement of policy adopted by the Social Credit Association of Canada in 1944 which, I understand, has been followed since that time. It states:

> The Social Credit Association of Canada reaffirms the three simple demands of Social Credit, namely:
> (i) To establish a national accounting system whereby we will know at stated intervals the net increase in our real wealth for which additional purchasing power must be created, free of debt and interest, and distributed to every man, woman and child in two ways—
> (ii) A dividend, paid at regular intervals, increasing as the national wealth increases; and
> (iii) A subsidy, or adjusted price on all wanted goods for sale by retailers;
> And that the proportion of new purchasing power to be allotted to (ii) and (iii) be determined democratically by our representatives in parliament.

Mr. Speaker, if that is the idea of a realistic financial and economic policy which is to be interpreted by a resolution such as that now before us, then most certainly under no circumstances could I support this subamendment. Because what does not seem to be fully accepted by those who express their belief in this policy, with what I am sure is deep conviction, is the fact that the proposal they are making calls for an ironclad system of controls, without which no such system as this could possibly work. Nothing else would make a strange device of this kind possible.

The fact is that there has been very little evidence of the adoption of policies of this kind by a Social Credit government that has been in power for some years in the province of Alberta.

An hon. Member: Do you know why they are not in existence there?

Mr. Drew: The hon. member suggests I should know about it. I should think they are not in effect in the province of Alberta for the very obvious reason that they cannot be put into effect under our constitution, and it may well be that those who drafted these resolutions in the first place were well aware of that fact. I hope they were, and that they were not so utterly without knowledge of the constitution of this country as to think really that they could put some of those ideas into effect in the provincial legislatures of this country.

We, however, are now dealing with this subject on a national level, where it could be put into effect; and I, for one, most certainly have no thought of subscribing to a doctrine of this kind which could be put into effect by the parliament of Canada. The reason the Social Credit government in Alberta has met with such continuing support as it has received is due to the fact that this doctrine never has been in effect in that province.

It is for these reasons that I certainly have no thought of supporting the subamendment. And may I say only this, with the utmost personal respect for some of the individuals who put these views before the house, that some of the statements made during this session in regard to financial policy for Canada read like statements out of "Alice in Wonderland". Far from being realistic, they are utterly unrealistic. They completely ignore any of the economic facts of life, and any government which attempted to run this country under a plan of that kind would rapidly encounter the most disastrous consequences.

Now, Mr. Speaker, I wish to deal with another subject that has come before us. It was raised in this house yesterday by the hon. member for Ottawa West (Mr. McIlraith) in a manner which calls for comment on my part. I am referring to the statements that were made by the senior member for Queens (Mr. McLure) about Mr. Yousuf Karsh. In the statement of one of the most respected members of this house, and a man who has given inestimable service to the province from which he comes, he did in his anger, in relation to certain remarks that had been made, use a term which was taken out of an article appearing in a newspaper and which many hon. members of this house thought was only used in the context of the editorial. *Hansard* does disclose that the word was used in a way that might be open to misinterpretation.

I think that hon. members of this house, who know the intense pride of the people of that beautiful island province in their own island, are well aware of the way in which they naturally regard anything that appears to be a criticism of the province of which they are so intensely proud. I have known Mr. Yousuf Karsh for many years. I think it was unfortunate that he made the statements which he did about meals in Prince

Edward Island. I must confess that my only complaint about meals in Prince Edward Island is that they are too good. When I have been there I have found that my great difficulty was to restrain my perpetual appetite for good food; and I do, in all seriousness, hope that I may have the opportunity some time of taking Mr. Yousuf Karsh to many places in Prince Edward Island where I have eaten food as good as I have eaten at any time or at any place I have been.

I think that perhaps from long acquaintance with Prince Edward Island, and from intimate association with the people of that island going back for many years, I can understand something of the anger that would be aroused by the suggestion that their meals were not in keeping with the great traditions of that province. As a matter of fact, any such suggestion is denied by people who go to Prince Edward Island as visitors. All one needs to do is to look at the list of visitors at any of the hotels in Prince Edward Island and he will find that people who can travel anywhere go there because of the accommodation and good meals.

I might point out that one most respected man who has lived in this country for many years, Field Marshal Alexander, while governor general, chose Prince Edward Island as a place to take his family when they were on their holidays. I think that in itself should remove any doubt about the quality of the meals of that island.

I do think that it was unfortunate that any such comment was made and I can understand something of the resentment it would arouse.

Then, of course, there is something else. Those of us who know Prince Edward Island also recall what should be borne in mind in considering those words. I know that, in Prince Edward Island, most of us who have not the privilege of having been born or brought up there are described as foreigners. That practice goes back to the early days when their pride in their own provnice, while it still remained out of confederation, made them somewhat critical of those less fortunate who lived in other parts of what is now Canada. That has carried forward and to many the term is well known in Prince Edward Island as one which is not used in the same way that we use it. Nevertheless, I do know that the word as used and as reported in *Hansard* is open to misinterpretation. It is for that reason that I am dealing with the matter today because I would not want to leave on the record an implication such as was placed there yesterday in the remarks of one of the hon. members on the other side of the house. The word has been interpreted as applying to all those who were not born in Canada and who have chosen this country as their home.

Perhaps I should express resentment myself if that were to be the interpretation; because, if people are to be called foreigners under that formula, then, of course, my own wife would be described as a foreigner. I feel perfectly sure that no such interpretation was to be placed on the word but I do wish to make it perfectly clear that on all occasions when this subject has been under discussion, long before I had the privilege of entering the House of Commons, I have been emphatic in my statements that those who have chosen Canada as their homeland are Canadians—no matter where they were born or from what national stock they come. We welcome them to our country. We are welcoming many of them today. We wish to leave no thoughts in the mind of any one of them that there is in this country any distinction between one Canadian and another so long as that individual is a Canadian either by birth or by choice.

This country has built its strength by the blending together of people of different races and of different blood. The day is long past when we can regard the population of this country merely as a partnership between the two great races which joined hands many years ago to lay the foundation of this nation. In this country today we have large numbers of people whose blood stock stems back to many of the great nations of Europe and of other parts of the world.

I wish to make quite clear that when I refer to my own position in this house I am stating the position of our party, repeated and emphasized many times, that there are no foreigners in Canada except those who are simply visiting Canada from some foreign land, and that every person who has chosen Canada as his or her home is a Canadian and we regard them as good Canadians unless their conduct in any way challenges that position. May I say that Mr. Yousuf Karsh is a distinguished Canadian and has been a distinguished Canadian for many years. He is a Canadian who has brought honour to this country by great attainment in what is today one of the most important arts. Not only is he a great Canadian but he has resisted many inducements, which must have been very appealing, to go elsewhere.

Having known him personally for many years, I am aware that from many of the great cities of the United States offers have come to him which from a financial viewpoint were most attractive. I know that the reason he has stayed here is that he cherishes his Canadian citizenship, and for that very reason

he has demonstrated that he is a Canadian citizen who is prepared to maintain that citizenship by choice and by preference. Again may I say that this is something that need not have been discussed at this length were it not for the manner in which it was introduced into the house yesterday afternoon. I very much regret the fact that the hon. member for Ottawa West sought to imply that a comment by the senior member for Queens (Mr. McLure) that had been made in the context to which I have referred was an interpretation of the attitude of the Conservative party.

At the same time he made a political speech about the record of the Liberal party which was strangely out of place for an hon. member who has sat in this house during this session and has applauded the continuing appeals to prejudice which have been made by different members since the session began. I would also point out that it is hardly appropriate for the hon. member for Ottawa West to speak about this subject in terms of such self-righteousness at the very time that the hon. member for Kings (Mr. Kickham) was interjecting into the discussion these words: "If the hon. member made such a statement in Armenia he would be kicked out of the country".

I merely point out that the statement that was being referred to was the same statement by Mr. Karsh. Let us not for one moment pretend that careless comments or words which were not intended in the manner in which they appear in the context are the fault of any single member of the house. I certainly would be the last to pretend that there are not many words I have spoken that could be taken out of their context and meaning and so interpreted. I suspect that the Prime Minister (Mr. St. Laurent) would not suggest that there were not words of his that from time to time might have been open to similar misinterpretation. I suspect that there is hardly a single member of the house who can say in complete sincerity, as he looks back over the many things that have been said, that there is nothing that could be taken out of its general context and interpreted in a manner which was never intended.

Therefore I leave this subject simply with the expressed hope that a statement provoked by a criticism of something that is associated with a proud province, a province which has great justification for its pride, will not in any way be taken as interpreting either the general sentiments of the member who expressed his dislike of the criticism in the first place or of any of the members of the party to which he belongs. Having regard to other statements and interjections that have been made in this debate, I would hope that the matter would end there—

Mr. Lesage: Oh, no.

Mr. Dupuis: Guilty conscience.

Mr. Drew: —and I am sure it will end there in the mind of every sincere member of the house who is not himself trying to appeal to prejudice.

At one o'clock the house took recess.

The house resumed at 2.30 p.m.

Mr. Drew: I wish to deal now, Mr. Speaker, with certain aspects of the Currie report, and the implications of that report in relation to the wider problems of national defence. In considering the importance of any aspect of this problem, it is essential that we bear in mind that the whole question is one which is primarily connected with national survival. We are not discussing the ordinary administration of any department. We are discussing the effectiveness of that department upon whose activities our contribution to the common defences of freedom is going to depend in very large measure. Therefore, we must examine any information we receive in regard to the effectiveness of that department with due consideration as to its possible bearing upon the whole question of defence, an extremely important question in relation to whether the enormous sums being spent on defence are being spent in the most efficient manner.

Before I proceed to deal with that part of the discussion, I wish to return to certain questions and answers which are recorded in *Hansard* of this session. First, I wish to read from *Hansard* of December 1, 1952, page 203. Before the orders of the day, I asked the following question:

> I wish to direct a question to the Minister of National Defence. Can he inform us when he will receive the report which we were assured was being prepared some time ago by Mr. Currie with respect to the administration of the Department of National Defence so far as it affects Petawawa camp?

The answer of the Minister of National Defence (Mr. Claxton) was as follows:

> I have not been in touch with Mr. Currie myself for some time but I am informed by the deputy minister that he has been in touch with members of Mr. Currie's staff, and that it is expected that the report will be available within the next week or two. It has not been made yet.

Then I asked a supplementary question as follows:

> As a supplementary question, may I ask whether the government has received an interim report?

The Minister of National Defence replied, no.

Then on December 4, as recorded in *Hansard* at page 321, there are the following questions and answers:

Mr. Speaker, before the orders of the day, in view of the fact that it has been announced that the Minister of National Defence (Mr. Claxton) will be leaving tomorrow, I wish to direct a question to him. I ask whether, since Mr. Currie's appointment was announced on April 21, 1952, he has received any positive recommendations from Mr. Currie in regard to the subject matter of his inquiry, in writing or orally, and if so is the minister prepared to convey to the house some information as to the nature of the recommendations which have been made.

To this the Minister of National Defence replied:

Mr. Speaker, since Mr. Currie's appointment I have seen him about this matter on one occasion only. That was when he was in national defence headquarters carrying on his inquiry. I asked him to see me and he did. I then asked him if he was getting all the information that he wanted and he said he was. I told him that if at any time he wanted further powers or more information such would be made available to him.

I have had no other communication of whatever kind with him.

Then I asked the following question:

Mr. Speaker, I would ask a supplementary question. In view of the fact that the minister read to us a letter from Mr. Currie, assuring us at the time of his appointment that he would proceed with the utmost speed to make inquiry into this matter and communicate his views to the minister, may I ask if the minister has pointed that out to him and has he not indicated that it is very desirable that we have the report at the earliest possible date.

The minister replied:

Mr. Speaker, I have not interfered with Mr. Currie's investigation in any way whatever. He knows as well as the Leader of the Opposition that it is desirable that a report should be made at the earliest possible date.

I then said:

Mr. Speaker, I ask one further supplementary question. To the knowledge of the minister, has Mr. Currie seen the Prime Minister (Mr. St. Laurent) in regard to this matter within recent weeks?

The minister answered:

I have no information bearing on that at all. Had Mr. Currie seen the Prime Minister I am sure the Prime Minister would have spoken to me about it. Since he has not done so I assume that Mr. Currie has not seen him.

Then I said:

There seems a strange lack of interest in such an important matter.

May I just repeat the words in this question and answer. I asked, and I am quoting:

. . . whether, since Mr. Currie's appointment was announced on April 21, 1952, he has received any positive recommendations from Mr. Currie in regard to the subject matter of his inquiry, in writing or orally, and if so is the minister prepared to convey to the house some information as to the nature of the recommendations which have been made.

To that the reply was that there was no information available. Then on December 8, as recorded at page 415 of *Hansard*, I said:

I wish to direct a question to the Acting Minister of National Defence. Is he in a position yet to inform us definitely when we may receive a copy of the report by Mr. Currie which was promised us last spring?

The reply was:

No, Mr. Speaker, I am not in a position to say because I have not received the report yet myself.

I then said as follows:

Will the acting minister take steps to find out from Mr. Currie when the report will be available?

The reply was:

From the remarks which the minister made in the house a few days ago I understood that Mr. Currie had indicated that the report would be forthcoming within a week or ten days. I presume that estimate was made with knowledge of what was possible on his part. I do not mind making inquiry if it is desired.

I then said:

I would point out that the minister made a general statement with regard to that before he made the statement in the house that he had not been in touch with Mr. Currie. It is for that reason I ask the direct question: Will the acting minister find out from Mr. Currie when the report will be ready?

Then on December 12, in the absence of the minister and the acting minister, I directed a question to the parliamentary assistant to the Minister of National Defence as follows:

In the absence of the Minister of National Defence as well as the Acting Minister of National Defence, I should like to direct a question to the parliamentary assistant to the Minister of National Defence. Can he assure us that the report by Mr. George S. Currie will be presented to this house before we rise for the Christmas recess?

The parliamentary assistant replied as follows:

I have no information on that matter, Mr. Speaker. I shall take it as notice of a question.

I then said:

In view of the assurances given last spring, may I ask that steps be taken towards ascertaining when this report will be ready?

The parliamentary assistant replied:

As I recall, Mr. Speaker, before the Minister of National Defence left this question was asked, and he replied that the report would be given in the course of the next few days.

I then said:

Mr. Speaker, I am directing my remarks to you in the form of a question. Last spring, on April 21, assurance was given to this house that a report was to be presented at the earliest possible date. This house acted upon that statement. In answer to several requests we have been given no information, and I suggest that the department is in contempt of this house in the course it is following.

It seems to me, Mr. Speaker, that those questions and answers are extremely important and that the implications of them go far beyond any question of the accuracy or otherwise of statements that have been made or of the nature of the report now before us. We had the positive statement of the Minister of National Defence (Mr. Claxton), or certainly a clear impression was conveyed, that neither in writing nor orally had he received any positive suggestions from Mr. Currie. Mr. Speaker, the whole effect of the answers given to the questions that I have read is that the minister, the acting minister and the parliamentary assistant to the Minister of National Defence knew nothing about this report and that they were simply awaiting the natural processes of the original instructions which had been given. In the light of that impression and of the statements which I have read, I find it difficult indeed to see how anything but the most serious impression can be left by the words of Mr. Currie in presenting this report to the Minister of National Defence. I would point out that it is dated November 26. It is a report by a man who has been recognized on both sides of this house as one of great competence, integrity and business experience. I think we still require some explanation as to what happened between November 26 and December 8. I should particularly like to point out these words in the letter from Mr. Currie to the minister which began the report. On the very first page I find these words addressed to the minister:

> It should be noted that interim suggestions made by me during my investigations have already been seized on and important reforms are already being carried out.

Mr. Speaker, is it possible for any hon. member of this house to be in any doubt that those suggestions were made to the Minister of National Defence? Is it possible for any hon. member of this house to doubt that in any event those suggestions were brought to the attention of the Minister of National Defence? Let it be remembered, Mr. Speaker, that Mr. Currie has said "important reforms are already being carried out". I hope that no one is going to suggest that important reforms have been carried out without the minister's knowing anything about them. I must confess that it would almost seem that this might have been a happy accident, but surely that cannot be the case. Surely any inefficiency that existed cannot have reached the point that reforms in the Department of National Defence have been carried out without the minister's knowing about them or knowing the basis upon which those reforms have been introduced. I leave the matter there, but I ask every hon. member of this house to go back over those questions and answers, to read those words of Mr. Currie, and to consider in all earnestness whether any hon. member of this house in future has any right to accept any assurance of the present Minister of National Defence with regard to any aspect of the administration of his department.

Mr. St. Laurent: Mr. Speaker, I rise on a question of privilege. I do not know whether you heard the words that have just been enunciated by the Leader of the Opposition (Mr. Drew). If you did, I would ask you to act upon them.

Mr. Speaker: I understood the Leader of the Opposition to say that no hon. member of the house could accept the word of the present Minister of National Defence. I also heard him previously suggest that no hon. member could doubt that the Minister of National Defence knew that suggestions had been made and had stated in this house that he did not know they had been made.

It is not in accordance with our parliamentary rules to question the honesty of any hon. member; and that includes, of course, members of the government. I included the words "members of the government" to emphasize the fact that it makes no difference whether the word of a member of the government is being questioned or that of any other member of the house. The Leader of the Opposition must withdraw his statement.

Mr. Drew: Mr. Speaker,—

Some hon. Members: Withdraw.

Mr. Drew: Mr. Speaker, in the first place I would point out that I asked the question whether hon. members could in future accept assurances from the minister in the light of these remarks. Does Your Honour state that that is unparliamentary?

Mr. Speaker: I think the Leader of the Opposition went further than that, and in doing so I would say that that also is unparliamentary. It definitely implies that in this instance the Minister of National Defence (Mr. Claxton) has knowingly said what is untrue.

Mr. Drew: Mr. Speaker, do I take it that your ruling is that the question in the form I have asked it is not parliamentary?

Mr. Speaker: On account of the implication involved I say that the question is not parliamentary.

Mr. Drew: I naturally accept your ruling. The words stand as a matter of record, and I ask the government to consider the effect of them.

Mr. Speaker: Order. When the words are withdrawn they do not stand as a matter of record; otherwise there would be no purpose in having a withdrawal. If the words still stand as a matter of record—

Mr. Drew: Mr. Speaker, we are talking about different words. I say that the words in the questions and answers that I have read stand as a matter of record and I hope that the government will examine them very carefully and the import of those words.

Mr. Brown (Essex West): Withdraw.

Some hon. Members: Withdraw.

Mr. Speaker: Order. I understand the Leader of the Opposition has withdrawn the question which he put with respect to accepting the word of the Minister of National Defence in the future. We should clear it up. I understand the Leader of the Opposition has withdrawn.

Mr. Drew: I said that I accepted your ruling and acted accordingly, and I did. I am proceeding to deal with the report and I assure you that any attempts that may be made to hedge this report about with any technical restrictions will not impress the public of Canada, in view of the disclosures that are in it.

I have pointed out that on page 1 of this report Mr. Currie has pointed out in clear and implicit words that he made recommendations by way of interim suggestions, and that some of these had been acted upon. Then, on page 3, I come to the disclosure of what happened at Petawawa, and in reading these words I wish to deal with the very obvious attempt that has been made, and what would appear to be part of a concerted plan, to lay the blame for what has happened upon members of the army.

Under our parliamentary system of responsible government, it is the goverment that is responsible if anything has gone wrong. It is not only the Department of National Defence that is responsible; it is the government, under our system of joint responsibility, and that seems to be completely disregarded by this government in so many instances.

I wish to point out that at page 3 of the report Mr. Currie refers to the Department of National Defence. He is not referring to the army, to the brass hats, as we heard from some of the hon. members this morning on the other side. I quote his words which appear at page 3:

> . . . it is an unhappy circumstance that the beginning of this investigation lies not inside the Department of National Defence and its full complement of regulations and supervising personnel, but with the receipt of an anonymous letter couched in the following terms:
>
> "The Commissioner, Royal Canadian Mounted Police,
>
> Ottawa, Ont.
>
> Dear Sir,
>
> There is reason to believe that an illegal transaction of army goods has taken place between army personnel of No. 3 works coy., R.C.E., and . . . company within the past few days.
>
> This transaction involves the selling of several railway carloads of cook stoves and heaters without proper army authority."

Then the letter goes on to suggest places where this may be followed up. On the page following we find again that it is not the army, it is not the general staff, it is not the engineering services that are mentioned; it is the Department of National Defence. I quote the words of Mr. Currie:

> It must be said that internal warnings had not been lacking in the Department of National Defence. The chief auditor of the department had performed his functions conscientiously. Time and again he had reported unsatisfactory conditions.

In the words of Mr. Currie, the auditor of the Department of National Defence had reported to the Department of National Defence unsatisfactory conditions, and, according to Mr. Currie, had performed his functions conscientiously.

After having described various things that had happened and losses that had taken place Mr. Currie said at the bottom of page 9 of the report:

> How many more there may have been will never be known.

And then he went on, on page 11, after having recounted some of the detail:

> My view would be, however, that the generally lax administrative situation would give rise to waste and inefficiency far more costly in loss than that covered by actual dishonesty.

Then on page 15 of the report we come to the statement which is perhaps the most important one in the whole report. When we recognize the fact that this department is spending approximately half of all the moneys collected by taxes from the people of Canada at this time, these words should be read with that in mind:

> If there is excuse for inefficient accounting, there is none for the failure of security which is, after all, a prime military consideration. I take a serious view of this break-down. If it is easy to pilfer military stores, then, by the same token, it is easy to sabotage military equipment.

Mr. Murray (Cariboo): Where did you get your copy?

Mr. Croll: He ought to know; a copy got away from him awfully quickly.

Mr. Drew: Mr. Speaker, if any hon. member is anxious to direct a question or make

a statement in intelligible terms I shall welcome it at this point and deal with it, but I must confess that neither from the right rear nor from the front am I able to understand the nature of the interjections that have been made.

An hon. Member: It was pretty clear.

Mr. Drew: Then we have the statement that has already been referred to on different occasions, and which appears on page 17 of the report:

> But, if this spirit permeated the lower echelons of the army, it is more difficult to condone the same attitudes higher up. There, a higher degree both of intelligence and responsibility is essential. It was not always present in the degree required.

When the other statements are recalled, Mr. Speaker, and it is remembered that they refer to the Department of National Defence, there is not much doubt about who the higher up authorities are, even if we do not yet know whether the unrevised report which has been mentioned in the house is the correct one, instead of the one now before us. It will be recalled that it has been stated in this house by an hon. member of the house who, of necessity, accepted responsibility for that statement, that these words are substituted for the words "at or near the top". Now, the top, or near the top, in this context, obviously refers to the Department of National Defence.

An hon. Member: The general staff.

Mr. Drew: Once again I hear the remark, or the blur of words, "the general staff".

Mr. Ferrie: Whom are you trying to protect in the general staff?

Mr. Drew: Mr. Speaker, I hope that interjection is duly recorded in *Hansard*. The statement I heard clearly was, "Whom are you trying to protect in the general staff?". Mr. Speaker,—and I hear another "Who" from another Liberal member. Mr. Speaker, let us hope that we are not going to have a repetition of some of the extremely unfair practices which have already cast serious reflections upon the Department of National Defence.

Mr. Ferrie: You are doing it.

Mr. Drew: Mr. Speaker, the persistence of those who are seeking to divert attention from the fact that the Department of National Defence should be responsible for national defence, if it is not, is merely evidence, as I pointed out before, of what appears to be a concerted attempt to create the impression that these members of the armed forces, and not the general staff—

Some hon. Members: Oh, oh.

Mr. Cruickshank: I hope *Hansard* got that.

Mr. Drew: —and not the Department of National Defence, are responsible.

An hon. Member: You were right the first time.

Mr. Drew: Mr. Speaker, I would point out that the obvious delight of anyone who seems to see the possibility of reflection on the general staff, which has been displayed here so frequently by some hon. members opposite, indicates exactly how much respect those members have for the army, in spite of all the pretence that they have made.

Mr. Speaker, this report is one which brings us again to certain questions which have been unanswered. In the first place, I had expected and had hoped that we would hear from the Prime Minister (Mr. St. Laurent) this morning some explanation in regard to the report we now have before us. It is his responsibility as a member of the House of Commons.

One hon. member has stated that there were changes in the text. That still remains to be disposed of. That must be disposed of, and I trust will be disposed of without any details left unanswered before this house rises. There is a great deal to explain about this report. It is dated November 26, and we received it here in the House of Commons on December 15.

An hon. Member: You have not received it yet.

Mr. Drew: The fact is, of course, that most members do not yet know the full details of this report.

Mr. Fournier (Hull): It is in *Hansard*; everything is in *Hansard*.

Mr. Drew: The desire displayed by so many members on the other side of the house to place responsibility on the general staff would suggest that all members on the other side of the house, including members of the government, are most anxious to throw responsibility for this on the general staff.

An hon. Member: Where should it be?

Mr. Drew: Yes, I hear from one of the ministers, "Where should it be?"

Mr. Speaker: Order.

Mr. Casselman: There is a running comment all the time.

Mr. Drew: Mr. Speaker, this is strangely reminiscent of the Connelly incident, about which as yet we have no information. There we had a scapegoat; and I do not think there

is any responsible person in this country who yet believes that we have heard the real story about Brigadier Connelly.

Mr. Ferrie: You would drop it if you heard it now.

Mr. Drew: Mr. Speaker, the interpolation by the hon. member for Mackenzie (Mr. Ferrie) is simply indicative of the lack of appreciation by some members in this house of the real seriousness of the report, and its import in regard to the direction of national defence in this country.

Brigadier Connelly was a scapegoat. Brigadier Connelly was sent to Korea with the acclaim of this government. Brigadier Connelly went to Korea—

An hon. Member: Went to Japan.

Mr. Drew: Yes, and he went to Korea, too.

An hon. Member: To Japan.

Mr. Speaker: Order.

Mr. Drew: Brigadier Connelly went to Korea with the assurance that he was a highly efficient officer.

An hon. Member: Who told you that?

Mr. Drew: He performed his services there, and in Japan, with an efficiency which called for the approval of the senior officers under whom he served. No explanation has been given for his dismissal—and it was nothing else. There was only one of those statements, from an informed source, which left a very serious reflection upon Brigadier Connelly. This reflection was cast upon him without even offering him a chance of challenging any individual. That cowardly procedure should stop now, and never be repeated. It is bad enough when reports that are afterwards denied by the departments which issue them in this way deal merely with ordinary problems of administration. But, dealing with an officer and his reputation, I can think of nothing more unfair than to cast aspersions upon that officer by a carefully planted statement from what is described as a well informed source, without the name appearing. Having regard to what was done in this case, I suggest, for the consideration of the news agencies of this country, the advisability of a decision that reports of this nature shall not be issued unless the individual has the courage and decency to permit his name to be appended thereto.

Some hon. Members: Hear, hear.

Mr. Gauthier (Sudbury): You scored at last.

Mr. Drew: Mr. Speaker, this is the first glimmer of hope that discussion in this parliament is actually producing results. We have at least accomplished one reform this afternoon in this respect.

Now, the report that we have before us does not by any manner of means refer to only the army or to the army works services. May I just read these words from page 17 to indicate how directly this report is related to the very point, to the Department of National Defence, and I quote:

> The Department of National Defence (including the army works services) was largely staffed and manned by men whose military training had been received in wartime.

That is the end of the quotation and the author was dealing with the Department of National Defence, pointing out that steps had not yet been taken to bring the whole organization into line with the requirements of peace. It is the Department of National Defence. And, Mr. Speaker, I hope that no attempt will be made to find scapegoats either in the general staff or in the ranks of the army for a department which must, under our responsible system, accept full responsibility for what has happened.

This is not by any means the first time that this subject has been before the house. The subject has been under discussion over and over again and the need for a full examination of the whole military set-up, and its place in relation to the Department of National Defence, has been emphasized again and again for the last three years. I shall quote from words that I addressed to this house on November 3, 1949. I am quoting from page 1405 of *Hansard* for that date:

> This is not a new subject. Over and over again in the past the same arguments have been made, and the advances that have taken place throughout the years have been as a result of the appointment of committees of some kind which could inquire into the real requirements of our defence forces, and their efficient organization for the tasks they might be called upon to undertake. The modern army system in Great Britain, which we in Canada have followed to a considerable extent, came about as a result of the findings of the famous Esher committee of 1904. Demands have been made since the time of the South African war for an inquiry into the organization of the forces, the suitability of training, and their ability to undertake any tasks they might be called upon to perform in the future. It was not until that committee was appointed that the errors that had been so apparent in the South African war were overcome, and an effective reorganization took place under the modern general staff system. Other famous and important inquiries followed at different times. After the first world war General Otter made his famous findings known as the Otter report. In it was laid down the appropriate organization of the land defence forces of Canada, and the way in which they should be trained for the tasks they might be called upon to undertake.
>
> It was not for some years that effective steps were taken to bring about the necessary reorganization, and in the meantime much had happened.

In 1933 and 1934 extensive inquiries were conducted by the conference of defence associations, a body which embraced both permanent and non-permanent officers of the defence services of Canada. It was as a result of their recommendations that the reorganization took place which made it possible for Canada to mobilize its forces effectively at the outbreak of the last war.

Another war has passed. Four years have elapsed since it ended. The evidence is now clear on all sides that it is essential that there be an examination of the over-all plan of national defence, the suitability of the organization of our forces for that plan, the effectiveness of the training that is undertaken, and the proper expenditure of the money devoted to this purpose. There is no occasion to go into the past. We are confronted today with the necessity of spending enormous sums of money, approximately $400 million. Only a few days ago it was indicated to us that a bill would be presented for the unification of the defence forces of Canada. Unification undoubtedly is highly desirable, but unification will not be very effective unless the forces which are unified have themselves been placed in proper relationship to other forces, having regard to what is conceived to be Canada's particular place in the general over-all picture today.

It is only by the assessment of our requirements that we can know whether our money is being properly spent.

Now, Mr. Speaker, I would point out that I was there referring to $400 million which we then regarded as an enormous sum. Now it is more than $2 billion, and by just that extent the importance of knowing where the money is going has increased.

I want to read these words from the reply of the Minister of National Defence (Mr. Claxton) which indicate, as clearly as words can indicate, what the attitude has been at any time we have sought to emphasize the need for an inquiry of this nature. I read from *Hansard* of November 3, 1949, page 1415, these words by the Minister of National Defence:

With regard to organization, I believe I can say without fear of successful contradiction that in the work of unification, co-ordination and the streamlining of our forces, navy, army and air forces, the Department of National Defence of Canada has made more progress than any other country in the world.

That, Mr. Speaker, has been the whole attitude of the department when any suggestion has been made that there could be improvements. The answer has been: No, we are better than anybody else in the world—and no recommendations were given serious consideration.

We have before us now, Mr. Speaker, recommendations which cannot possibly be disregarded. That pompous facade, which has been presented over and over by this government, has been torn apart and torn apart permanently by this present report.

Some hon. Members: Hear, hear.

Mr. Drew: No more can these arrogant assurances that the Department of National Defence is above any suggestion of improvement possibly have the slightest sound of reality, in view of the disclosures of this report. It is the Department of National Defence that is condemned by this report; and the Department of National Defence must accept responsibility. It is the Department of National Defence that is challenged by every report now before us.

We want no scapegoats for the minister and those within his department who should be called upon by this department to accept the full responsibility. May I add something more. It is not only the responsibility of the department, it is the responsibility of the whole government until it acts in some way to deal effectively with this situation. The attitude of the members of the government in this respect was disclosed in a very remarkable way by the Secretary of State for External Affairs (Mr. Pearson) on December 8. I would point out that it is very significant that it was December 8, because we are informed that was the day this report was delivered. On that day the Secretary of State for External Affairs interpolated into his speech on foreign affairs the following words, as found at page 418 of *Hansard*:

By way of interpolation, and to dispel any remaining suspicion which may linger in his mind in regard to the relationship of myself and my department to that matter, I would merely say at this time—to clear the matter up, and I hope that it will as far as the Department of External Affairs is concerned—that neither I nor my department made any representations, oral or written, formal or informal, to the Department of National Defence about Brigadier Connelly and the Koje incident at any time. Neither I nor my department have had anything whatever to do with his retirement. That, Mr. Speaker, is by way of an aside which I consider in the circumstances to be necessary, as I did not have the privilege of attending the session of the house when this matter came up.

Let me emphasize these words: "Neither I nor my department have had anything whatever to do with his retirement." Under our system of collective responsibility, Mr. Speaker, every member of the government is responsible for every act of the government. As a member of the government the Secretary of State for External Affairs is responsible for what has happened to Brigadier Connelly. Did I hear a member of the government say "no"?

Mr. Fournier (Hull): You are hearing voices. Nobody said anything.

Mr. Drew: No, I am not hearing voices. Someone on the opposite side did say "no". I repeat that under our system of collective responsibility every member of the government is collectively responsible for the acts of the government, and it is the responsibility of the government to deal with matters of

this kind with a recognition of that collective responsibility. Neither the Secretary of State for External Affairs nor any other member of the government can escape responsibility for the retirement of Brigadier Connelly, call it what you will. Neither can they escape responsibility for the remarks in this report with respect to a department of the government. Nor will they escape responsibility if any attempt is made to divert attention from those who should accept responsibility by seeking to find scapegoats in uniform instead of accepting the criticism in the quarter where it should be accepted.

The report is before us. It deals only with a limited part of the whole question of national defence. No hon. member of the house who has an opportunity to read it will question the sincerity, integrity or earnestness of Mr. Currie in the task that he has performed. We have had assurances from the government of their confidence in Mr. Currie. We have expressed our confidence. I hope that confidence has been re-emphasized by this report. It certainly has been re-emphasized so far as I am concerned and I am sure—

Some hon. Members: Oh, oh.

Mr. Drew: Mr. Speaker, as *Hansard* does not record laughter I would point out for the record that laughter greeted the remark that this report reinforces confidence in Mr. Currie. It certainly does reinforce confidence in Mr. Currie because he has dealt frankly with the problem before him and has placed the responsibility squarely on the shoulders of the Department of National Defence and in turn the government. This report deals only with the part of the responsibility of the Department of National Defence with which Mr. Currie was directed to deal. Already the suggestion has been made that further inquiries are necessary. I should think that the very wording of the report and its findings make it clear that further inquiries are necessary at the very earliest date. Moreover, it is clear that further independent inquiries, of the same kind as those which took place and which have led to this very important report, are necessary.

Therefore I make the suggestion to the government in all earnestness, and with the proof before them of the effectiveness of the procedure, that they reappoint Mr. Currie to conduct an inquiry into every aspect of the organization and accounting methods of the Department of National Defence. Here we have a report dealing with one part of the activities of the department. Here we have a report that I feel sure will stand the test of challenge. Here we have a report that has expressed impartial findings. If the government wishes to deal effectively with the problem now before us, I urge them to reappoint Mr. Currie without delay, to give him the widest authority and to permit him to inquire into every aspect of the organization, accounting methods and other related duties of the Department of National Defence.

Mr. P. E. Wright (Melfort): Mr. Speaker, one thing that has alarmed me in listening to this debate so far has been the attitude taken by some members on the government side of the house who, through their interjections, have indicated that the main people to be condemned as a result of the report which was tabled yesterday are the members of the general staff. We have a democratic government in Canada, and this year we are spending some $2,100 million of the Canadian taxpayers' money to build up the armed forces of the country in order to protect us. If the interjections are indications of the attitude of the government toward their general staff, who are responsible for the building of this security, then I am afraid we are not getting very much for our money. It seems to me if we are to have security there must be co-operation and confidence between the government and the general staff, not bickering, as would appear from the interjections that have been made so far in this debate.

I should like to deal with the manner in which the report was tabled. When tabling the report yesterday the Prime Minister (Mr. St. Laurent) also tabled a letter from General Simonds. The government appointed Mr. Currie to make an investigation into certain things which were taking place in our armed forces. A report was made by Mr. Currie and was presented to the government, but instead of presenting the report to parliament by itself as it stood a letter from General Simonds, the head of the army, was tabled with it. I should like an explanation from the Prime Minister as to why that procedure was followed.

Mr. St. Laurent: Does the hon. member wish me to give the explanation now?

Mr. Wright: I think the Prime Minister will be replying later.

Mr. St. Laurent: Not necessarily. I take it then that the hon. member does not want the explanation.

Mr. Wright: The Prime Minister may explain.

Mr. St. Laurent: The explanation was that General Simonds requested that it be done; he suggested that if it were not done it might

appear that the government was accepting this report—because it might be so construed—as a reflection on the general staff, himself and his officers for whom he was responsible; that it was a report susceptible of another construction because it was supposed to deal with only one branch. But if it were generalized and, if this paragraph from which the Leader of the Opposition (Mr. Drew) read extracts, were taken to be a general statement about the set-up of the army, it would reflect upon those whose reputation it was his duty to protect. It was only because I was convinced by the representations made, that he would feel it was unfair to him if his memorandum were not made public at the same time, that it was included with the production of the report.

Mr. Wright: That is exactly what I feared. The government apparently was more interested in protecting the people whom they were investigating than in protecting the money of the people of this country.

The Prime Minister indicated that he hoped we would not take pieces of this report out of their context, and use them. I was surprised that the Prime Minister should be the first to do that. As a matter of fact, he used one sentence, and this is the sentence:

> It does not fit the facts to indict or to smear the whole army works services personnel because of the sins of a handful of crooks.

Now, let me read what went before that to see whether it was taken in its context. Before that, Mr. Currie said:

> The contents of this chapter are chiefly based upon my studies there—

That is at Petawawa.

> —because of the existence there of a combination of factors; lax control, poor discipline and the presence of dishonest personnel. The combination proved disastrous.
>
> It is mentioned in this context chiefly for the purpose of praising the personnel at other depots for not walking through the door which a fundamentally loose situation had opened before them.

In other words, the Department of National Defence has left doors open, and the commissioner commends the armed forces for not doing more pilfering. Time and again in the report it is indicated that it is the Department of National Defence that is responsible for this situation. It is indicated that the auditor general of the Department of National Defence made reports to the government pointing out irregularities that were taking place, yet no action was taken as a result of those reports. Time and again that took place. What possible excuse can the government have when they were notified that these irregularities were taking place and yet failed to take any action to prevent them?

I am sure that if any hon. member of this house were a member of a town council or a city council and he dismissed the police force and took no adequate measures to protect the people in his community, he would be severely criticized. Yet here we find that the Department of National Defence, after repeated notices, has failed to take the necessary measures to protect the people of this country from pilfering and irregularities. The ministry and the individual members of the government have tried repeatedly in this house to indicate that this was just petty pilfering; that it did not amount to very much. Well, that is not what Mr. Currie says in his report. He has indicated that it is a serious matter. It is a very serious matter for instance when a dam is built in a certain creek at a cost estimated from $3,000 to $4,000, and Mr. Currie says:

> Its utility is not clear to me, and it was, in any event, not authorized by army headquarters.

Up in that area that dam is known by a certain name, and certain officers go up there to fish in the pool which just happened to be created.

Mr. Larson: Did the Minister of National Defence build it?

Mr. Wright: He certainly knew it was built. I am not so sure he may not have fished there at some time.

Mr. Larson: Did he?

Mr. Dickey: You are certainly fishing now.

Mr. Fleming: Look out that he does not catch you.

Mr. Wright: I suppose it is only petty pilfering when someone walks away with 18,000 bags of cement, 18 car loads that is, practically a trainload; or when someone walks away with a baby tank or a whole railroad siding, that is petty pilfering.

The hon. member for Churchill (Mr. Weaver), in a speech delivered earlier this session, tried to indicate to the house that this did not amount to very much and that adequate measures were being taken to correct anything that might have been wrong. The hon. member for Red Deer (Mr. Shaw) indicated that it was quite possible there was something seriously wrong at Penhold in Alberta with regard to the construction of housing. What indication has the government given that they have taken any notice of his speech? What investigations are they carrying out to see that this is not general across the country and not just in the particular department that has been investigated?

I want to say this, that this government have deliberately, through their policies, encouraged this sort of thing. Last year in

this house we voted approximately $2,100 million for defence purposes, while the year before we voted $1,725 million, when the government knew that there were not the facilities in this country to produce the goods and services that amount of money represented. Here is what the Minister of Finance (Mr. Abbott) said in this house on April 8, 1952, as recorded at page 1247 of *Hansard*:

> Last year we planned, and parliament authorized, defence expenditures in the total amount of $1,725 million. Actually we have spent about $1,441 million, or a shortfall of $284 million. How could this come about? Let me give an example. We had planned and expected to spend about $210 million on major defence construction projects; but because of difficulties of design and construction, and shortages of labour and materials, we have found it possible to spend only about $165 million on these projects before the end of the year. The acquisition of machine tools and of military equipment and its components in the United States poses exceptionally difficult problems of estimation as to final cost, delivery dates and dates of payment. In the year just ended the story has been one of unavoidable delays and postponements.

In other words, we voted the money and this government should have known, through its economic experts, how much military equipment this country could produce in any given year to take up that amount of money. When you vote a department more money than they could possibly spend, more money than the facilities of this country are capable of producing goods to take up, then it seems to me you are asking for trouble. You are giving people money in huge amounts when there are no physical goods upon which they can spend it. As a result, you get the sort of spending that is indicated in the Currie report. Surely, if this government wants to use the people's money in an economic way to create the security and the armed forces that are necessary for this country, they should use some reasonable methods of control.

We are not getting the security we should have in this country. If someone can walk into a camp like Petawawa and walk off with a railroad siding or walk off with 18 carloads of cement, there could be sabotage in such a camp. There is no system of checks set up by our Department of National Defence. This makes it possible for people to walk into camps across this country and walk away with goods to the extent that has been indicated.

Mr. Larson: What was the equipment officer doing all this time while this siding was being torn up?

Mr. Wright: The hon. member asks what the equipment officer was doing. Who is responsible for the equipment officer? It is the Department of National Defence. Why does not the hon. member for Kindersley (Mr. Larson) ask the Minister of National Defence some of these questions that he is asking me? He is the man who must give to this House of Commons answers to these questions, not the hon. member for Kindersley. The minister has consistently made little of these things; he has told this house that there is nothing much the matter, just a little bit of pilfering which may take place around any army camp. That is not what this report indicates. This report indicates on the part of the Department of National Defence neglect to use the proper supervisory methods that are necessary when any department is spending the sums of money that this department is spending. When this government imposes on the people of this country taxes for the purpose of procuring security for the country, they have a right to see that that money is spent in a manner which will obtain that security and to see that it is not frittered away as is indicated in this report.

I will be interested to hear what the Minister of National Defence (Mr. Claxton) has to say with regard to this matter, and I will be interested to hear what the Prime Minister (Mr. St. Laurent) has to say. It seems passing strange that, after two days of debate, no member of the government has yet seen fit to take part in this debate. It seems to me that they are a long time in reaching some decision with regard to the matter. This is not something new. This report is something that was asked for by the government. Mr. Currie was appointed to make this report. That fact indicates that the government knew that certain things were taking place or they would not have called on Mr. Currie to make this report. Yet now, when the report is tabled here, it seems to come as so much of a surprise to the government that nobody seems to be able to rise and say anything about it.

Mr. Fraser: They are speechless.

Mr. Wright: I have been in this house for a considerable number of years and I think this is an occasion. I have never before seen the government sit quiet for so long.

Mr. Mutch: We might as well hear the charge.

An hon. Member: The Prime Minister is circulating around.

Mr. Wright: Someone says that the Prime Minister is circulating around. Perhaps he will collect ideas. I hope that before long we shall get his ideas in this debate.

Mr. Mutch: He is in the right place to get them.

Mr. Wright: The point is this, Mr. Speaker. A serious condition has existed for a considerable length of time but as yet we have had from the government no indication as to what remedies they are going to apply. The sooner we get that indication from the government the better satisfied will be the people of Canada, because the people of Canada have indicated their willingness to see that sufficient money is made available for the security of this country but they want one thing. They want that money spent in a way that will bring security, not in a way that leaves the back door open in every camp in this country so that someone can walk in and take what he likes. That is the situation that is indicated at Petawawa in this report, where the front door was locked but the back door was open.

I am not going to deal with the matter of the two reports; it can be dealt with later. From this report it is perfectly evident that the tendency on the part of the government has been to blame the fellow down below. This report shifts the whole emphasis of responsibility—the unabridged report, as it has been called by the hon. member for Victoria, Ont. (Mr. Hodgson), shifted it even more—to the higher echelons. I hope this government will not try to absolve itself by blaming either the top brass or the small man in the army, because the matter goes farther than that. The pilfering and the misspending that took place were the result of lack of proper supervision, and that proper supervision could be given only by the Department of National Defence. It is the Department of National Defence which must answer to parliament and to the people of Canada for the disclosures that are made in this report.

Mr. Ray Thomas (Wetaskiwin): Mr. Speaker, I had not intended to speak again in this debate, but the report tabled in this house yesterday made it necessary. At the outset I want to commend Mr. Currie on the fearless and complete report that he apparently drew up. I am going to qualify that statement just slightly because I am not quite satisfied that the report that was tabled in the house is the same as the original report given out by Mr. Currie. I was amazed to find that there is apparently another report in circulation somewhere. How our friends of the C.C.F. got hold of it, I do not know; and I imagine there are many other members in the house who are more interested in that fact than I am.

From some of the conversations I have heard, I would gather that many of the members of this house seem to think it a crime that the C.C.F. were able to get hold of the original copy of this report. I do not think the crime is in their getting hold of it or in the fact that it did get loose. I think the crime in the whole matter, Mr. Speaker, is that the original report was not given to this house in the first place.

From Mr. Currie's report it is quite apparent that the original complaint came not from the Department of National Defence but from an anonymous letter which was quoted earlier by the Leader of the Opposition (Mr. Drew); and as it appears in this report, there is no date on it nor is there any indication as to when that letter was received by the Royal Canadian Mounted Police. I should like to know—as, I am sure, would other hon. members of the house—just when that letter was placed in the hands of the commissioner of the R.C.M.P. That information might be quite interesting, because we should like to know just how long it was prior to this request for an investigation that this letter was received.

From the report it is quite apparent that the accounting system, as laid down by the government, is good but that the execution and enforcement of it is poor. Last year when the committee sat we were quite well informed as to the organization and the accounting system, and I must say that I was greatly impressed. But during the committee sittings last year we were unable to dig into the enforcement angle of the regulations. I had hoped at that time that we should be able to do so, and I still hope that we shall be able to dig in and get much more information when the committee is set up this session.

I was quite amazed, as apparently was the hon. member for Melfort (Mr. Wright), that the taking of 18,000 bags of cement is termed "petty pilfering". I can agree with the hon. member for Melfort when he says that that amount represents 18 box cars full. I telephoned the Canadian National Railways freight department today and found out that it would take just exactly that number of box cars to hold that many bags of cement. As the report indicates, the cement was only a test case. There were over 5,000 other items which could have been delved into, but which he thought would not be necessary. It would be interesting to know just how far things have gone as far as these other 5,000 items are concerned.

As far as the petty pilfering of a complete C.P.R. spur line is concerned, I just wonder how many men it would take to raise those tracks, and then when fear of detection came along they lifted the C.N.R. track to replace the C.P.R. or, I wonder, as one gentleman said, is that the job that the horses did. While we are on the subject of horses, I would

suggest that the government might dig into some of the other departments of government and find out whether any of these horses are married and are drawing family allowances, or are they on old age pension.

Mr. Nickle: Are they on the voters' list?

Mr. Thomas: You would wonder sometimes, would you not?

Apparently the hon. member for Kindersley (Mr. Larson) wants the sole responsibility to lie in the hands of the lower departments of the army. It is quite apparent from this report that the blame cannot be placed there. As reported on page 3, a part of which was quoted by the Leader of the Opposition (Mr. Drew) today, the fault lies entirely within the Department of National Defence, or partially so. Originally, the fault may have been in the army, because undoubtedly that is where the pilfering came from. But the continuation of that pilfering is directly the responsibility of the Department of National Defence and nobody else. I shall repeat what the Leader of the Opposition read, because I think it could bear repeating. This is what appears on page 4 of the report:

> . . . it must be said that internal warnings had not been lacking in the Department of National Defence. The chief auditor of the department had performed his functions conscientiously. Time and again he had reported unsatisfactory conditions. This is clear from appendix B which summarizes his findings over a period of years. The deputy minister in each case had directed the quartermaster general to investigate and report. Lack of adequate action at this point had, however, caused a progressive deterioration in the situation. Aside from reports being delayed for considerable periods of time, the record shows the next audit revealing conditions similar to those previously reported and, in some cases, worse. The process is then again repeated.

Surely, Mr. Speaker, after a second auditor's report it was the responsibility of the deputy minister of national defence to insist on some sort of investigation. It is quite true that frequently you find incompetency, laxity, and sometimes dishonesty among army personnel and among the officers; but the department must have known that this was going on, because the auditor of the Department of National Defence had brought it to the attention of the deputy minister on many occasions. Therefore the responsibility rests entirely on the shoulders of that department and upon the government and on no one else.

I noticed one thing on looking into this report, and possibly it is outside the realm of investigation. I should like to know a little bit more about the construction programs that are going on, the awarding of contracts, and I should also like to know whether mention of those contracts, and so on, were in the original copy, as the hon. member says, the unabridged copy, of this report.

Mr. Currie says that these things went on chiefly in Petawawa. Probably they were not carried on to such a great extent in the other centres throughout Canada, but there is no doubt in my mind that the same thing is going on in many places, although perhaps on a smaller scale.

As I travel around through various parts of the country I hear men, army personnel, officers, complain and say: "For goodness' sake, is there not something we can do to get rid of this waste, not only of material but of time?" As a matter of fact, Mr. Speaker, at one army centre—and this is directly hearsay; I am not going to vouch for the authenticity of it—I was talking to one of the employees and he was telling of a truckload of cedar shingles that disappeared. Apparently the truck driver drove out of the camp with these shingles, and sometime later the truck came back empty. When he was asked by one of the other employees where the shingles had gone he replied—to use his own words—"None of your damn business."

The fact that the other camps are not as badly off as Petawawa shows that army personnel and the civilians working for the Department of National Defence in those various centres are fundamentally honest. But it is no credit whatsoever to the government, or to government policy, that every other camp in this country is not in the same condition as Petawawa. As a matter of fact, I would say that instead of saying, as a result of government policy these camps are not so bad, we should say: in spite of government policy these men were able to remain honest and to look after their jobs in a conscientious sort of way.

As I said before, I do not think there is any doubt in the world that this demonstrates an absolute failure of the government, not of the army, to enforce regulations. If it were a matter of poor regulations or a poor set-up, there might be some excuse for it, because they had not found the right way of doing it. But in view of the fact that Mr. Currie says the regulations are adequate if they are enforced, it leads me to say that it is not a matter of policy but one of enforcement, and the government is at fault. Let the government either correct these faults or face the consequences.

Just to go one little bit further, this involves more than the Department of National Defence, because on page 19 of this report Mr. Currie says:

> In all cases, the treasury officer, who is appointed by the Department of Finance to work within the Department of National Defence, must certify that the necessary money is available and that the expenditure is in fact in accordance with the purpose for which the funds were voted.

In other words, not only the Department of National Defence but also the Department of Finance is equally at fault. Probably the Department of Defence Production, because they have a finger in it, may also be at fault. In all probability they are involved as well as the armed forces. I would be one of the first to say that it is only a small portion of the armed forces, only a small group, that is at fault. We have three distinct departments of government involved, and unless some drastic step is taken I am afraid that the government is going to find itself in a pretty unenviable position, and it is a position of its own making, and I cannot say that I feel too sorry for it.

(Translation):

Mr. Joseph Langlois (Berthier-Maskinonge): Mr. Speaker, in the past few days much has been said in the newspapers and over the radio about the recent happenings at Louiseville which have brought about the proclamation of the Riot Act. To understand the situation fully, it must be recalled that the strike at Louiseville, which has been going on for more than nine months, was called as a result of a labour dispute between the national syndicate of textile workers at Louiseville and the Associated Textiles of Canada Limited. The said strike constitutes a record in the history of labour relations in Canada.

I hope, Mr. Speaker, that what has happened at Louiseville since the beginning of that strike will not bring unfavourable publicity to the town of Louiseville and will not be detrimental to its economic welfare nor to its excellent reputation.

Louiseville is a small industrial centre located between Montreal and Three Rivers. Its inhabitants are and have always been naturally peaceful in their behaviour. All classes of society live in perfect harmony and everybody has at heart the progress and the development of the town. The workers also enjoy an enviable reputation.

I take this opportunity to tell the working classes and the whole population that I sympathize with them. These people are now going through a very painful experience. Business is on the decline and I do hope that a solution will be found before it is too late.

I also take this opportunity to offer my congratulations to the whole population of Louiseville who, since the beginning of the strike that threatens to paralyse the whole economic structure of this locality, have displayed an extraordinary degree of courage and patience.

The hon. member for Cape Breton South (Mr. Gillis) referred yesterday to what happened at Louiseville. I must say, Mr. Speaker, that I do not share the opinions expressed by the hon. member, who asked the Minister of Labour to launch an investigation into what has been going on at Louiseville for nearly a year. The strike at Louiseville is, indeed, a labour dispute over which the province has exclusive jurisdiction and no one, as far as I know, has challenged this jurisdiction. The parties themselves have never complained about it. Since the beginning, I have followed every phase of the dispute very closely and I would have intervened myself long ago, had I deemed it advisable to do so. Knowing the Minister of Labour (Mr. Gregg) as I do, I am convinced that had this question been under federal jurisdiction, it would have been possible to arrive at a solution satisfactory to both management and workers.

Now, the Riot Act has been read. I am still convinced that this business is no concern of the Department of Labour. The Riot Act is a part of the Criminal Code which, under the constitution, is administered by the provinces. And so federal intervention in this connection, if only for purposes of inquiry, would be considered as a violation of provincial rights in the field of labour relations.

Even in so far as the Industrial Relations and Disputes Investigation Act is concerned, I hold that the federal Department of Labour can only intervene at the request of the provincial department and after an agreement has been concluded between the provincial and federal governments.

Mr. Speaker, my remarks today are directed especially to the Minister of Labour and the unemployment insurance commission. I wish to bring to their attention the difficulties the Louiseville strikers find themselves in from the point of view of the Unemployment Insurance Act. Under section 39 of the Unemployment Insurance Act, all strikers are deprived of their right to unemployment benefits as long as work stoppage lasts. Since, in this case, such stoppage has lasted for more than nine months, these workers have not been able to pay any unemployment insurance contributions since March 10 last, the date on which the strike was declared. I suggest that the Louiseville strikers no longer comply with the statutory conditions required by section 28 of the Unemployment Insurance Act and that they cannot claim the right to draw unemployment insurance benefits. If, Mr. Speaker, this

strike should be settled tomorrow, and if, after a few days, the employer should be forced, due to highly important considerations, to lay off some of his employees for lack of work, there is no doubt that all these unemployed workers would be deprived of their right to benefits, on account of their having failed to pay the contributions required within the period of time laid down by section 28.

I therefore suggest, Mr. Speaker, that the Minister of Labour and the unemployment insurance commissioners should examine the urgency of amending, during this session, paragraph 3 of section 28 of the act, so as to grant benefits for prolonged periods of unemployment resulting from a labour dispute.

I would be inclined, Mr. Speaker, to go further and even to go beyond the framework of this act. I would also like to draw the attention of the Minister of Labour to the advisability of studying the possibility of granting unemployment benefits to the Louiseville strikers, since they have been out of work for several months. I understand that it would create a precedent. However, I believe it would be a humanitarian gesture that would alleviate the sufferings of these people and bring a little sunshine and happiness to the families of Louiseville, where women and children are the innocent victims of that painful experience. As the Christmas season is approaching, it is the nicest gift we could make to the families of the Louiseville workers.

Several strikers also find themselves in an abnormal situation, because at the beginning of the strike they found work elsewhere, worked for several days or even a few months, but are now again unemployed. When they apply for unemployment insurance, they are told that they are not entitled to any benefits because they have not resumed their work. That decision is based on section 39 of the Unemployment Insurance Act.

It is an unfortunate situation, because these people have made sacrifices, they have left their home town to take work elsewhere, they have done everything they could to provide for their families, but today they are unable to find work anywhere. They are practically reduced to begging. The situation warrants careful and immediate attention. Knowing the concern of the Minister of Labour (Mr. Gregg) for the workers, I am confident that he will take my remarks into serious consideration and I hope that he will find a way of helping those people.

[Mr. Langlois (Berthier-Maskinonge).]

(Text):

Mr. Paul E. Cote (Parliamentary Assistant to the Minister of Labour): Mr. Speaker, I should like to say a few words following the remarks of the previous speaker.

(Translation):

Mr. Speaker, I would like, first, to offer my sincere congratulations to the hon. member for Berthier-Maskinonge (Mr. Langlois) for the interest he has always taken in the situation, particularly with regard to the painful conditions which have been prevailing in the lovely town of Louiseville for almost nine months.

I am personally aware of the interest shown by the hon. member, who, on several occasions during this long period of time, has sought my advice with a view to finding a solution to the difficult problems which most of those who are affected by this strike must face, or even a remedy to their sufferings. Since the federal government has no jurisdiction in the matter, we have studied together various provisions of the Unemployment Insurance Act that might concern these workers. Most of them, as a matter of fact, have been contributing for many years to the unemployment insurance fund and sincerely believe they have claims to assert under this act, since they have been deprived of their livelihood. Unfortunately, as my hon. friend stated, under section 39 of the Unemployment Insurance Act the payment of benefits to any insured person taking part in or directly affected by a strike or a lock-out is prohibited. The only way to remedy the situation is to introduce an amendment to that effect by an act of parliament.

For my part, I doubt whether it would be wise to recommend payment of unemployment benefits to workers on strike. In doing so, parliament would take sides in a dispute between workers and employers and its action, through its payment of unemployment benefits, would likely help prolong a situation which it is in the interest of all to settle as soon as possible.

As to amending the act by adding to section 28, subparagraph 3, a provision which would take no account of the period of time spent by the striker away from his work, as soon as he has resumed his employment, for the purpose of calculating the 188 contributions which he is supposed to have paid during the two years preceding an eventual application for benefits, I may say to the hon. member, knowing the spirit in which he makes this suggestion and his earnest desire to help

solve some of the problems that might arise, that I am quite willing to give his request most sympathetic attention.

I am not sure how the unemployment insurance commission's advisory committee could see its way clear to accept this request since its granting would inevitably affect the unemployment insurance fund. As it happens this amendment would delay the payment of benefits beyond the limits provided by legislation at this time.

I can assure the hon. member for Berthier-Maskinonge that I will personally bring to the notice of the unemployment insurance commission, and through the commissioners, to the notice of the advisory committee, the advisability of exempting an unemployed worker, under the provisions of section 28 of the act, should he have been out on strike in the two years preceding an application for payment of such benefits. This would more particularly apply to the workers at Louiseville, who against their will have been unemployed for the past nine months.

Mr. Speaker, I have nothing to add to what I have just said. However, through you, I wish to assure the working population of Louiseville of the interest shown by their representative in this work stoppage which has affected them for so long, and of the interest which the Minister of Labour and myself, as parliamentary assistant, have been continuously taking in the matter for the past nine months. Should the opportunity arise to put an end to the difficulties of the working population of Louiseville, we will gladly avail ourselves of that opportunity and co-operate with the hon. member for Berthier-Maskinonge.

I most sincerely want this situation to come to an end as soon as possible.

I hope that Christmas will not go by without my hon. friend—should he be unable to obtain for them unemployment insurance benefits—having at least the pleasure of seeing all his constituents resume work under fair and equitable conditions in the best interest of the working population of Louiseville.

(Text):

Mr. T. J. Kickham (Kings): I wish first to extend my congratulations to the newly-appointed Minister of Fisheries (Mr. Sinclair), the hon. member for Coast-Capilano. Knowing the minister's exceptional qualifications, I am sure the Department of Fisheries will not be lacking vigorous leadership.

Our second largest industry is our fishing and, while some progressive methods have been evolved in later years, I am confident that under the new minister's direction we will experience a revivication, and a complete and thorough study of what the industry has accomplished in the past and what is possible to attain in the future. I now invite the minister to come to the province of Prince Edward Island at the beginning of fishing operations in the coming season to obtain firsthand knowledge of our industry. I will take him to the first fresh filleting and fish meal processing plant in our province, located at Souris in my riding. The minister will there have an opportunity to meet the personnel management of the island fisheries, and other progressive citizens engaged in the processing and packing industry, and to discuss with them processing methods, markets and common problems. The company referred to have the quick-freezing facilities necessary in the marketing of fresh frozen fillets processed from many species of fish.

Our provincial department of industry and natural resources, in conjunction with the federal department, has carried on scientific research work which has proved of great value to the provincial industry. Under the direction of the minister, Hon. Eugene Cullen, and his deputies, this department has surely proven its worth by the results it has already attained in promotional work and advancement for the industry.

I am pleased to note that the speech from the throne indicates that legislation will be implemented to provide some measure of assistance for the rural mail couriers in this country. Provision was made in the session of 1951 for increases to couriers receiving less than $1,000 per annum, and the increases granted to those couriers on application have been generally satisfactory. Now I am confident that the Postmaster General (Mr. Cote) will provide, through the coming legislation, liberal increases for those couriers presently underpaid.

To the Minister of National Health and Welfare (Mr. Martin) I would suggest that the eligible age for blind pensions be reduced from the present age of 21 years to 16 years, so the blind child may receive assistance from the termination of the family allowance. There is every justification for this because the parents of blind children are subjected to greater costs for education, to make them useful citizens, than in the case with non-defective children. It is my opinion that the means test should be dispensed with for

blind people, and I would like to see the minister remove this impediment to full pensions for the blind.

From listening to the remarks of the hon. junior member for Queens in this house, I am sure his words were not calculated to further advance himself politically in Queens because the Liberal government's public works in that riding are too obvious. The hon. junior member for Queens, for example, cannot place the Charlottetown C.N.R. hotel under his hat; and if he takes himself down to the shore he will see a newly-constructed railway wharf. This work was completed by the Canadian Dredge and Dock Company of Toronto last spring. When he takes a look at the large, commodious frost-proof potato warehouse recently renovated and resting on that spacious wharf, he will see that he cannot put that under his umbrella. All these were constructed by Liberal governments. Further, I understand that the enlargement of the Charlottetown airways in Queens will be proceeded with, and I am sure that if the late J. L. Douglas had lived Charlottetown would now have a spacious public building, provided the Minister of Defence Production (Mr. Howe) could release the steel and other materials required for such a building. I can, however, give the junior member for Queens the assurance that it will be built by the Liberals just as soon as supplies are made available and with the backing of the next two Liberal members for Queens, Messrs. Miller and Matheson.

It is my pleasure now to express my thanks to the efficient and friendly Minister of Public Works (Mr. Fournier) on behalf of the people of my constituency and myself for his response to my many requests for construction work on wharves, breakwaters, frost-proof potato warehouses and extensions, and the dredging of channels, harbours and rivers to provide more adequate facilities for ocean-going vessels which carry our produce to foreign ports, thus bringing about cheaper freight rates and competition with the government-owned railway. The provisions to assist fishermen at the many fishing points have been of great assistance. There still remains much to be done. We need a new protection work constructed at Murray Harbour north for the protection of fishermen's boats and equipment. At this point boats and valuable equipment are subject to the crippling lashes of the sea. I am confident that an adequate amount will be included in this session's estimates for this very necessary work.

We also need a complete reconstruction job on the government-owned railway wharf at Georgetown. In its present condition the wharf cannot provide safe accommodation for large boats tying up alongside the frost-proof potato warehouse, and does not provide the proper facilities for loading pulp and pit prop boats. A dredging job is necessary in the inner part of the harbour. An extension to the protection work at Basin Head harbour is also awaiting attention. So far as the public building at Montague is concerned, the necessary building sites have been purchased and are now vested in the crown. An estimate for this building has been passed by the house, and the Department of Public Works will in all probability proceed with the construction in the near future.

Before concluding my remarks on public works, I wish to extend my thanks to the deputy minister and the engineers at Ottawa and Charlottetown. They have at all times extended to me the greatest measure of assistance and co-operation.

With respect to the ferry service to and from our province, it is most imperative that additional services be provided from Wood islands to Caribou and from Borden to Tormentine. I do know that an additional boat for the Wood islands service is being given much consideration by the Minister of Transport (Mr. Chevrier) inasmuch as I attended a meeting with the minister in that connection last week. So far as the Cape Tormentine-Borden service is concerned, I suggest that if we had a boat to carry passenger and railway freight cars in the summer months this would permit the space now taken up by those cars to be used by automobiles and trucks.

I am confident that if the government realized that new ferry boats were an urgent need at both Wood islands and Borden financial provision would be made at this session for their immediate construction. If the amounts necessary were voted at this session I expect that it would be all of two years before the boats would be ready for service. We are entitled to adequate ferry service under the terms of confederation, and I am sure the people of Canada would not wish to have the smallest province restricted in any way. They want to see our province enjoy the same transportation facilities as are enjoyed by them. We wish to develop and exploit to the fullest measure the tourist industry in order to help to finance the province's road and electricity programs. We need the additional ferries to move our fish and farm produce to export markets. Can one picture the provinces of Quebec and Ontario in our position, not having adequate transportation facilities available to transport tourists and exportable products?

I said in the beginning I was confident that if the government fully realized the situation that now exists it would arouse their gravest concern, with the result that additional transportation facilities would be immediately provided. If the Canadian economy can afford to contribute millions of dollars each year to the Asiatic countries under the Colombo plan, if we can lend and donate millions to Great Britain, surely we can find sufficient funds to provide essential transportation services for Canadians.

The co-operative movement in our province and in the maritimes generally met with a severe loss in the passing of Dr. A. B. MacDonald, one of its pioneers. I knew Dr. MacDonald personally, having met him on numerous occasions in our province during the fourteen years he was associated with Dr. M. M. Coady in the work of St. Francis Xavier university extension department. His boundless energy and devotion to the work of organizing adult study club groups, co-operative producer and consumer groups, credit unions, etc., led him to larger fields of endeavour, and in 1944 co-operative leaders saw the need of a larger and more active national co-operative organization.

Those leaders, knowing of Dr. MacDonald's unsurpassed ability in the field of organization, selected him for the task. Having formed the larger organization, he served as national secretary of the Co-operative Union of Canada until his death on September 13 last at the comparatively early age of 59 years. Dr. MacDonald was a great maritimer. He was a great Canadian. The work he accomplished in teaching the labouring man, the fisherman and the farmer a way to more general prosperity, thus raising his standard of living and giving him greater economic freedom, will ever remain a tribute to his memory.

In closing my remarks I want to tell you, Mr. Speaker, that we had a visitor to our fair isle and he was harsh, by Karsh!

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, the Currie report is undoubtedly one of the most important documents to come before the Canadian parliament in recent history. Indeed, it is no exaggeration to say that the arrival of the Currie report in the House of Commons yesterday operated like a bombshell so far as the government and its forces were concerned. Is it not proof abundant, Mr. Speaker, of the decline of a sense of parliamentary responsibility, alike on the part of the government and those who follow it in this house, that the discussion of this matter of such vital importance has followed the course we have seen today? This report has been dealt with in masterly style by some of the leading figures of the house, by the hon. member for Nanaimo (Mr. Pearkes) last evening, by the hon. member for Calgary East (Mr. Harkness) this morning and by the Leader of the Opposition (Mr. Drew) and the hon. member for Melfort (Mr. Wright) this afternoon. But we have yet to hear one word, except by way of raucous interruptions, from a member supporting the government, let alone one of Her Majesty's ministers.

Mr. Pearkes: Where are they?

Mr. Fleming: Where are they? There is in the house at this moment one member of the government, just one, and I think there are approximately eighteen Liberal members present in the house. Is this an example of the way in which the government addresses itself to public business of the highest importance?

Mr. Studer: Where are all the members of your party?

Mr. Fleming: They are here at the present moment in greater numbers than the 185 Liberal members of the house. If you cannot see that, your counting must be about as bad as the government counting as indicated in this report.

This situation is by no means new. The Prime Minister (Mr. St. Laurent) has a paramount responsibility in this matter, particularly in view of the absence overseas of the Minister of National Defence (Mr. Claxton). The Prime Minister has chosen to grace the house, during the debate on this matter of high importance, for a matter of about forty minutes or three-quarters of an hour this afternoon during the speech of the Leader of the Opposition. Having done so he took his departure, after some scurrying about the house and whispered conversations with ministers. If any further evidence is required of the decline of the sense of parliamentary responsibility during the lifetime of the present government, alike on its part and on the part of those who follow it in the house, you have seen it in abundance this day.

I think it may be said, Mr. Speaker, by way of fair warning to this government that if they think that by being parties to some conspiracy of silence they are going to discourage the discussion of this very vital and important report, then they are very much mistaken. This report has arrived in the House of Commons where it ought to be fully discussed, and where it is going to be discussed, whether the government likes it or not.

I should like to observe at the outset, Mr. Speaker, that Mr. Currie has rendered a national service in writing this report. I can well imagine, indeed I think we were so informed by the Minister of National Defence at the time, that Mr. Currie assumed

this duty with some reluctance. Apparently he realized it was going to be a formidable undertaking. I believe the public of Canada may well thank Mr. Currie for assuming this responsibility and staying with this task until its completion, for in this report it seems to me we have a public service of the highest quality.

I am interested, of course, in this matter of a second edition of the report. The Prime Minister said yesterday when this question of an unexpurgated edition of the report was raised, that he would give orders to get to the bottom of the matter. He has had more than twenty-four hours to get to the bottom of the matter, but still his silence continues. Has efficiency within the government service dropped to the point where the Prime Minister cannot get information about this other edition of this report within the time that has now passed, or has the Prime Minister decided he has had enough embarrassment over this report, and is not going to take the house into his confidence about it? I see the Minister of Public Works (Mr. Fournier), the leader of the house; perhaps he can enlighten us on this matter. No; only silence comes from the Minister of Public Works.

Again I might say to the government that if they think that by ignoring this important question they are going to escape discussion of it or going to escape a demand by this house for an accounting in regard to the unexpurgated edition of the report, then I may tell them they are completely mistaken.

Mr. Fournier (Hull): You are putting up a straw man.

Mr. Fleming: I am surprised indeed to hear the Minister of Public Works refer to himself as a straw man, because he is the man I am putting up at the moment.

Mr. Fournier (Hull): You do not understand English.

Mr. Fleming: You understand most things around here, except the necessity for preserving parliamentary institutions.

Mr. Fournier (Hull): I need your help for that.

Mr. Fleming: I turn to this report in the light of what I think is the responsibility of the members of this house to relate this question fairly to the matter of the government's responsibility. The first thing that strikes anyone reading this report is the statement on page 1, where Mr. Currie says:

> It should be noted that interim suggestions made by me during my investigation have been already seized on, and important reforms are already being carried out.

[Mr. Fleming.]

Sir, let us lay that statement alongside the statement made in this house in recent days by the Minister of National Defence. Let us remember that the Minister of National Defence, when questioned about the receipt of interim reports, said in this house that he had no communication from Mr. Currie or had no discussion with him. Lay these statements side by side. They cannot be reconciled. Either Mr. Currie is wrong or the Minister of National Defence is wrong. There is just one possibility of an out for the minister, and that is that suggestions of importance—because these are obviously important suggestions—came to the Department of National Defence from this important inquiry, and things are so organized in the Department of National Defence today that the minister of that department does not know when important recommendations come into the department or are apparently put into effect with salutary results. Have things come to this pretty pass, that the Minister of National Defence is so utterly unaware of what is going on in his department that when recommendations come from Mr. Currie on matters of leading importance they escape his notice? Well, hon. members opposite can take their choice. Either the Minister of National Defence has been unaware of what any minister of defence ought to be aware of within his department, or Mr. Currie and the Minister of National Defence are in pointblank contradiction. I leave the matter there. The rules of the house compel me to do so.

Again thinking of this in terms of the responsibility of the government, hon. members opposite are trying to find some comfort in the fact that they say, "Oh well, whatever happens in the department is not the responsibility of the government." It is a curious statement which I hope to have the opportunity of examining shortly.

Mr. Croll: Who said that?

Mr. Fleming: It has been said several times during the course of these raucous interruptions. There is no member opposite who has had the courage to stand up on his two feet and say so.

Mr. Deputy Speaker: I do not think the hon. member should say of any other hon. member that he has not the courage to stand up and say something. The hon. member has just referred to hon. members on this side, saying that they did not have the courage to stand up and say so. When the hon. member debates a question, I do not think he should accuse others of not having courage; that is the expression to which I take

objection. I believe the hon. member for Eglinton (Mr. Fleming) will understand what I mean.

Mr. Fleming: I do not recall that I have reflected in any unparliamentary sense. In that regard, I draw attention to the fact, for I think it is a matter worthy of comment, that not one member on the government side of the house has risen here today to offer a word on what is the most important subject that has come before the house during our time. I think I am entitled to draw an inference.

Mr. Deputy Speaker: The hon. member is quite right in pointing out that no hon. member has tried to rise or has risen on a certain question. The expression which I think is objectionable is to say of an hon. member, even if he is not referred to by name, that he "has not the courage to stand up". It should not be suggested of any hon. member that he did not have the courage to do what he is supposed to do in this house.

Mr. Fleming: Mr. Speaker, I now turn again to this question of governmental responsibility. I am glad to hear an admission at last from an hon. member opposite—and I take it that it came from the hon. member for Spadina—that apparently the government is responsible for what happened in the Department of National Defence.

Mr. Croll: Mr. Speaker, I rise to a question of privilege. The hon. member was saying that the government were attempting to lay the responsibility on the general staff. What I said was "Who said that?" He has no right to draw any other inference from that. He said "hon. members in this house" and he did not name anyone. He had no right to draw any other inference.

Mr. Fleming: Mr. Speaker, that is an example of how hopelessly inaccurate a view of this matter is taken by hon. gentlemen opposite. I did not use the words "general staff" at all. I did not refer to them. I was referring to the subject of the government's responsibility for what happened in the Department of National Defence.

Mr. Ferguson: The hon. member is saying what the people are thinking.

Mr. Deputy Speaker: Order.

Mr. Fleming: Let us deal with this question. I said that hon. members opposite are apparently trying to take some comfort from the fact that, as they say, the Department of National Defence was not aware of what was going on. Were they not aware of it? If they did not have any responsibility at the time these things were going on, did they not acquire some responsibility when they learned or ought to have learned that these things were going on and were there to be seen?

The fact of the matter is, as Mr. Currie has pointed out here, that reports were made. I think attention should be drawn again to the service rendered this morning by the hon. member for Calgary East (Mr. Harkness) who called attention to the fact that before the committee on defence expenditure last year it was brought out that reports had been made to the Department of National Defence concerning irregularities at Petawawa, and they were reports that had gone back indeed as far as May, 1949. The committee was not permitted to know the contents of those reports, but the fact was that reports disclosing irregularities going back that far were made to the Department of National Defence. That much the committee was permitted to know.

What became of those reports? Were they shelved? Is the Minister of National Defence not going to assume any responsibility for reports coming into his department? Does he not know what is going on? Does he not assume any responsibility for knowing what is going on in his department? If he knew of these reports, why did he not take action? Is not the responsibility on him and, through him, on the shoulders of the government, for taking no action? If he did not know, why did he not know? Why did he not read those reports?

Not only that, Mr. Speaker, but in this report by Mr. Currie we are told at page 4 of the report as follows:

> . . . internal warnings had not been lacking in the Department of National Defence. The chief auditor of the department had performed his functions conscientiously. Time and again he had reported unsatisfactory conditions.

Mr. Speaker, what became of those reports? What did the Minister of National Defence know of those reports? If he knew about them, what action did he take? If he did not know about them, why did he not know? Every member of the government shares that responsibility with the Minister of National Defence, the silent Minister of Public Works (Mr. Fournier) included.

An hon. Member: Where were you?

Mr. Fournier (Hull): I do not know.

Mr. Fleming: Last April we obtained some information from the minister. On April 21, as reported at page 1424 of *Hansard*, the hon. member for Lake Centre (Mr. Diefenbaker) questioned the Minister of National Defence as to when trouble was first discovered at Petawawa. The answer given by the minister was "in October, 1951". The government took action to appoint Mr. Currie in April, 1952,

six months after the discovery of irregularities at Petawawa, according to the minister's statement. Of course in this statement of April 21, the minister made no reference to all those reports from the chief auditor of the department that we read about, nor has he referred to those reports going back to May, 1949. He overlooks all those reports in this answer of April 21 but he says "We learned about it in October, 1951", six months before the date on which he was speaking.

What did he do in those six months? Apparently the same thing he had done for more than two years before that, in the face of similar reports, namely, nothing. Is the government going to deny responsibility in the face of the facts? Here is a government that either knew, through the minister, of the existence of these irregularities, and calmly did nothing about them or apparently the minister did not know anything about them, in which case he was guilty of the grossest possible dereliction of duty as minister and head of that department.

The matter of government responsibility is one that does not even admit a difference of opinion in this house. I am just waiting, Mr. Speaker, to hear any member of the government courageously or otherwise, if you please, rise to his feet and say that the government denies responsibility; because if the government does, it has shed any semblance of responsibility to this house and has literally destroyed the whole basis of parliamentary institutions according to our system of government. It is a plain and elementary fact that the government, and every member of the government alike, must accept responsibility for whatever happens in these government departments. What could be a plainer case of responsibility than one in which a situation was disclosed by reports to the department running back for more than three years? Here we are three and a half years after the first of these reports of which we know. Whether there were other reports we are left only to surmise. However, we know that reports were coming in more than three and a half years ago. What greater proof of dereliction of duty on the part of a smug and complacent government do we need than this?

And to think that this should happen in the Department of National Defence gives one pause! This is the minister, Mr. Speaker—and you will not have forgotten this fact—who, alike when he was minister of national health and welfare and since he became Minister of National Defence, has been the opponent of the appointment of standing committees of this house on the theory, which he declared on all those occasions, that such appointments cut across or cut at the root of our whole system of responsible government. He said, "We do not want anything savouring of the American system. Oh, no; we want to maintain the closest possible relationship between the cabinet and the House of Commons, because the cabinet is responsible to the House of Commons." He even used this analogy and said, "Why do we need another committee of the house because, after all, the cabinet is but a committee of the house. Therefore we must not have any more committees of the house because the government takes all responsibility and is fully accountable to the house." Yet, Mr. Speaker, it is in the department of this same minister that this scandalous and shocking situation is found to exist.

Yes, it was not necessary, although it is indeed striking, Mr. Speaker, that Mr. Currie in this report puts the responsibility—more clearly, it is true, in the unexpurgated edition but nevertheless he does so in both editions—squarely where the responsibility properly lies, not only in fact, but also according to the elementary practice of the British system of responsible government and parliamentary institutions.

Speaking of this spirit within the department itself where, by reason of the fact that experienced officers and experienced personnel of the department had been let out, in the face of warnings in bygone years from the hon. member for Nanaimo (Mr. Pearkes) and others, now we find a new situation, in which the whole idea is that speed is everything and cost means nothing—in the face of this spirit within the department, Mr. Currie says:

> But, if this spirit permeated the lower echelons of the army it is more difficult to condone the same attitudes at or near the top.

Those are the words of the unexpurgated edition. In the expurgated edition the words are "the same attitudes higher up." Mr. Speaker, those words were not necessary to fix responsibility squarely on the shoulders of the minister, but they are there.

Here is an inquiry conducted by a man appointed by the government. I hope, Mr. Speaker, that when they are so busy finding scapegoats, the government are not going to turn around now and try to make a scapegoat of Mr. Currie. It would be in keeping with the way they have been picking scapegoats indiscriminately in all directions for many days.

Mr. Smith (Moose Mountain): Who picked Mr. Currie?

Mr. Fleming: The government picked him, and they picked a good man. I gather from the strange silence that prevails over the government benches today that they are not too happy about the whole situation. Let

the government get up and say whether they accept the report of Mr. Currie. If they do not accept it, let them give good reasons why they do not. I can tell them that if they are going to try to make a scapegoat out of Mr. Currie, they are biting off a great deal more than they are going to be able to masticate, even this government, with all its appetite.

Mr. Smith (Moose Mountain): You are putting up a straw man.

Mr. Fleming: Well, you see it is inevitable, in the light of experience this house has had, to which the hon. member has apparently closed his eyes and ears, that we would think it very natural that the government would look around for a scapegoat. They always do look around for a scapegoat, because the one impelling obsession of this government is that they must not lose political face. It does not matter whose business career is sacrificed or whose army career is sacrificed as long as the government does not lose political face. That is the only thing that matters. The hon. member opposite is quite prepared to give political allegiance to a government so lacking in standards and principles as is this government.

Now, sir, what of the Prime Minister? The Prime Minister apparently was anticipating trouble in the Department of National Defence, because on November 24 he was at pains to say, as we find at page 39 of *Hansard*, that what was happening in the way of disclosures of the most astounding and shocking extravagance and waste in that department and what had happened at Petawawa were regrettable and deplorable. He said: We in the government have not done this ourselves. You should not hold us responsible. He said: When people steal money from the Bank of Nova Scotia nobody holds the directors of the bank responsible. Well, Mr. Speaker, if that is all the Prime Minister has learned about the essence of responsible government then it is high time he made way for somebody who does understand those elementary principles.

Mr. Bennett: Whom do you suggest?

Mr. Fleming: You know very well whom.

Mr. Riley: We know whom you want to replace him.

Mr. Fleming: There is the hollow voice of Saint John. We will not be too concerned about the voice of the lesser Saint John.

Mr. Riley: I thought it was Mr. Drew whom you wanted to replace him.

Mr. Fleming: Yes, I am very happy to say for the edification of the hon. member for Saint John, or Saint John the lesser, that I look forward with confidence to the day in 1953 when Mr. George Drew will assume the office and role of prime minister.

Some hon. Members: Oh, oh.

Mr. Fleming: I may tell hon. members that it is going to take a good deal more than the calculated and contemptible campaign of personal abuse they are directing at the Leader of the Opposition to prevent him from becoming prime minister. If they have any more to say on this subject I should be interested to hear them.

Now, sir, the Prime Minister, as I have indicated, sought in advance to wash his hands in public of any responsibility for what happened at Petawawa. Well, the Prime Minister cannot wash his hands, nor the hands of any member of the government, of responsibility for what is disclosed in this report.

Mr. Hetland: He did not say that.

Mr. Fleming: Well, he said about as near to it as it was possible for him to go at that stage without disclosing what we find now in the report. That is precisely the idea that he was trying to convey. He said in effect, we have had some prosecutions, and what more could we do? We are not responsible; we did not do it ourselves; we did not carry off the rails. That is the gist of the Prime Minister's argument, and it just will not hold water.

Mr. Hetland: That is your argument.

Mr. Fleming: No, it is the Prime Minister's argument. If the hon. member has not grasped the fact, then I can only invite him to go back and read page 39 of *Hansard*, because apparently he did not pay any attention to the Prime Minister when he was speaking.

I wish to say this also to the Prime Minister: If this happened at Westminster, if in the mother of parliaments it was disclosed in a report made by an official appointed by the government to conduct an inquiry that the things had been going on within a government department which are disclosed in this Currie report, the minister at the head of the department would have resigned at once, Mr. Speaker. He would not have had to wait for the Prime Minister to call upon him to tender his resignation; he would have resigned at once. And the fact that, far from the minister resigning, or far from our seeing the Prime Minister call for his resignation in this case, far from there even being a statement from the government on this question, the government have remained silent

on this question proves abundantly that they have lost all sense of responsibility to this House of Commons.

I will tell hon. members opposite why the government have lost that sense of responsibility. It is not alone their own arrogance; it is not alone their own smugness; it is not alone their own indifference; it is the fact that a majority of the members of this house calling themselves Liberals have condoned that arrogance and that smugness on the part of this government. Is there any wonder that the Minister of Trade and Commerce (Mr. Howe) said in this house a year and a half ago: "If we wanted to get away with it, who would stop us?" Well, the fact of the matter is that the official opposition, by reason of their numbers not being great, can only make a fight. On a vote they cannot overcome the government, but the hon. members of this house who do form the majority could have stopped the government from getting away with these things, and because they have remained supine—

An hon. Member: What is that?

Mr. Fleming: Because they remained supine in the face of this situation, and have sat silent here now in the face of this disclosure of the scandals that are revealed in this report shows abundantly, Mr. Speaker, just why the Minister of Trade and Commerce could ask a question like that in this house, why he could insult this house by saying: "If we wanted to get away with it, there is nobody here to stop us." It was because the opposition was not numerous enough, and the government supporters in the house who are numerous enough did not have the will and the sense of responsibility to stop this government when it was trying to get away with such things. How otherwise, Mr. Speaker, could these things have gone on? With reports coming before the government for a period of three and a half years, how could these things go on in an intelligent country like this, if it were not for the fact that hon. members opposite, constituting a majority in this house, have simply sat there and acquiesced in and condoned what the government has been allowing to happen. Yes, it will be interesting to see—

An hon. Member: Keep your temper.

Mr. Fleming: My temper is completely under control.

Mr. Fournier (Hull): It does not show it.

Mr. Fleming: And it is at all times. Well, the Minister of Public Works is about as far at sea in that respect as he is on what constitutes propriety in the conduct of the affairs of the Department of National Defence.

Mr. Fournier (Hull): You must be good in all things.

Mr. Lesage: What do you know about the Minister of Public Works?

Mr. Fleming: I think he is a very jovial and amiable colleague in the house.

Mr. Fournier (Hull): Thank you.

Mr. Riley: So are you.

Mr. Fleming: Thank you.

Mr. Lesage: At times.

Mr. Fleming: This whole subject has to be considered in relation to the background. I have said something about the background, the fact of reports coming in over this long period, the fact of the minister apparently either not knowing what was going on in his department or closing his eyes to what has been happening there, but there is something else about the background that should be considered in relation to the astounding disclosures in this report. It has to do with the sacrifices of the Canadian people, Mr. Speaker. Canadians are not a martial people. They have shown that when war is forced upon them they are prepared to meet it, and meet it with courage unsurpassed. But we are not a martial people. We do not as a people like to keep standing armies; we do not flaunt any military spirit before the world. It was with a measure of acknowledged reluctance that the Canadian people faced up to what was put before them as the stern necessity for rearmament. They accepted the burdens courageously, but regretfully. And I think, Mr. Speaker, it is only right and proper to say that when they were called upon to face these heavy exactions they expected all their elected representatives in this House of Commons, and all members of the government opposite, would see that every dollar that was taken from the pockets of the people for the purpose of rearmament would be spent carefully for that purpose.

Never has a higher obligation rested upon a parliament, or upon a government, to make sure that every dollar expended for this purpose was carefully and prudently expended, than has rested upon this government and this parliament in connection with this rearmament program.

It was something of the spirit of a crusade that prompted the Canadian people to support Canadian participation in the efforts of the United Nations to withstand aggression in Korea and in the garrisoning of Germany to withstand any possible aggression by the Kremlin in central Europe. Mr. Speaker, what a betrayal of the confidence of the

Canadian people that, in the face of that crusading spirit and in the face of acceptance by the Canadian people of these heavy burdens and exactions for the purpose of providing needed rearmament for this country, the Canadian government has failed so lamentably to see that this money has been carefully and wisely expended!

Mr. Speaker, you will remember that Mr. Currie says in this report that, far more serious than the actual defalcations, and far more serious than the actual amount of materials and goods which have been stolen, is what has been lost to the Canadian people in the proven waste and inefficiency which has been exposed. In the face of the colossal expenditures by this department it was the duty, not simply of the minister of the department but, to a superlative degree, the duty of every minister in the government to see to it that there was efficiency in that department, to see to it that there was strict honesty in all the procedures of that department, to see to it that the dollars that were hard-earned by the Canadian people, from whom they were taken, were carefully expended.

And what do the Canadian people find? Well, we have had exposures in recent months of colossal waste and extravagance; and now in this report, to cap it all, we find proof of shocking irregularities and of what is, in effect, a whole break-down of the system of supervising expenditure.

No government in office at a time like this, in the face of proven facts like these, can escape its responsibility for these facts. It cannot escape its responsibility, in the light of parliamentary practice. And above all, Mr. Speaker, it cannot escape its responsibility to the supreme Canadian people.

We in the official opposition have fought, and fought uphill, in the face of overwhelming numbers of government supporters in this present House of Commons, for the direct maintenance of parliamentary control over expenditures. We have had to fight uphill because the government opposite would not listen to anything from us. They would not listen to the wise warnings given to them in these recent years by experienced members like the hon. member for Nanaimo (Mr. Pearkes), the hon. member for Calgary East (Mr. Harkness) and many others who are quite competent to give the government sound advice on these questions. No; their ears were stopped to any words of warning from this side of the house. In their smugness and self-satisfaction, what they knew was enough; and all they had to tell us was that, so long as they were in office, everything was all right. Well, the Canadian people well know now that while this government has been in office everything has not been all right.

In the face of Mr. Currie's report it would be much more accurate to say that, so far as the Department of National Defence is concerned, everything has been all wrong. Mr. Speaker, we of the official opposition can point to those many occasions when, in this House of Commons, we have fought as hard as we could fight for the maintenance of that sound principle of parliamentary control over public expenditures. And here, because this government has defeated sound, sincere and earnest attempts on the part of the opposition to maintain effective parliamentary control over expenditures, when they have used their overwhelming numbers both in the House of Commons and in the defence expenditure committee of last session to prevent any attempts to get to the bottom of these expenditures, or even to elicit the essential facts for the elected representatives of the people to put them into the position of judging the spending of these colossal sums of money, we now see in these painful events of the past two days a complete vindication of that sound principle of parliamentary control. A very serious mistake has been made by the Liberal majority, which must assume the full responsibility for the mistake it has made in departing from the precious principle of parliamentary control over the government's purse strings.

We are tired of the smugness of this government. We are tired of their official utterances put out through anonymous sources. We are tired of their lofty and haughty attitude in this house. It is a pity that another Gilbert and Sullivan could not arise now. What an opportunity they would have in dealing with a situation such as we are confronted with in this parliament today. There would be another H.M.S. Pinafore, I am sure. I shall mention only one passage from that operetta which you, Mr. Speaker, with your profound classical learning, will recall at once. You will remember those words which Sir Joseph Porter addressed to Captain Corcoran in H.M.S. Pinafore: "Captain Corcoran, it is one of the happiest characteristics of this glorious country that official utterances are invariably regarded as unanswerable."

Mr. Speaker, we are tired of that kind of attitude on the part of this government, the assumption that because they are in office everything is all right. That is the kind of answer they have given; and we of the official opposition join our voices now in saying that there has been enough exposed in this Currie report, dealing with one small segment of the operations of this one department, to make it essential and imperative

now that the inquiry be reopened, and that it be extended into all the other recesses of that department. Enough has been found here to put every hon. member of this House of Commons on his guard, and on notice. That responsibility now rests with every member of this House of Commons.

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

YEAS

Messrs:

Argue
Blackmore
Bryce
Fair
Gagnon
Gillis
Hansell
Herridge
Johnston
Jones
Knight
Knowles
Low
MacInnis
Noseworthy
Poulin
Quelch
Thomas
Wright
Wylie—20

NAYS

Messrs:

Adamson
Anderson
Applewhaite
Arsenault
Balcer
Balcom
Bater
Beaudoin
Bennett
Black (Chateauguay-Huntingdon-Laprairie)
Blair
Blanchette
Blue
Boisvert
Boivin
Bonnier
Boucher
Bourget
Bourque
Bradette
Breton
Brisson
Brooks
Brown (Essex West)
Browne (St. John's West)
Bruneau
Cameron
Campney
Cardiff
Cardin
Carroll
Casselman
Catherwood
Cauchon
Cavers
Charlton
Chevrier
Churchill
Clark
Cleaver
Cloutier
Conacher
Corry
Cote (St. Jean-Iberville-Napierville)
Cote (Verdun-La Salle)
Courtemanche
Coyle
Croll
Cruickshank
Darroch
Dechene
Decore
Deslieres
Dickey
Dinsdale
Drew
Dube
Dumas
Dupuis
Eyre
Fairclough, Mrs.
Ferguson
Ferrie
Fleming
Follwell
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fraser
Fulford
Fulton
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Lapointe)
Gauthier (Portneuf)
Gauthier (Sudbury)
Gibson
Gingras
Gingues
Gour (Russell)
Gourd (Chapleau)
Graydon
Green
Harkness
Harris
Harrison
Hellyer
Helme
Henderson
Henry
Hetland
Hodgson
Hosking
Howe
Huffman
Hunter
James
Jeffery
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Lafontaine
Langlois (Berthier-Maskinonge)
Langlois (Gaspe)
Lapointe
Larson
Leduc
Lefrançois
Leger
Lennard
Lesage
Little
Macdonald (Edmonton East)
Macdonnell (Greenwood)
MacKenzie
MacLean (Cape Breton North and Victoria)
MacLean (Queens)
MacNaught
Macnaughton
McCubbin
McCulloch
McCusker
McGregor
McIlraith
McIvor
McLean (Huron-Perth)
McLure
McMillan
McWilliam
Major
Masse
Monette
Montgomery
Mott
Murphy
Murray (Cariboo)
Mutch
Nickle
Nixon
Nowlan
Parent
Pearkes
Picard
Pouliot
Power
Proudfoot
Prudham
Ratelle
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Riley
Roberge
Robertson
Robichaud
Robinson
Rochefort
Rooney
Ross (Hamilton East)
Ross (Souris)
Rousseau
St. Laurent
Schneider
Sinclair
Smith (Moose Mountain)
Smith (York North)
Starr
Stuart (Charlotte)
Studer
Tremblay
Tustin
Valois
Warren
Weaver
Welbourn
White (Hastings-Peterborough)
White (Middlesex East)
Whiteside
Whitman
Winkler
Winters—180

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, we have been dealing in the last few hours with what may be called an error of omission on the part of the government due to negligence which has been shown in the Department of National Defence. I wish now to come to an error of commission due to unwarrantable government interference. I wish to return to the matter I brought up last Thursday in connection with the Fort Garry hotel and Mr. Pitt. I do this because the matter has been answered not only briefly by the Minister of Trade and Commerce (Mr. Howe) last Thursday but at greater length by the Minister of Transport (Mr. Chevrier) yesterday.

I brought the question up originally because I believed that a great injustice had been done as the result of unwarrantable government interference. I believe that much more strongly now than I did last week, because to me the defence that has been made is utterly unconvincing. I do not think the Prime Minister (Mr. St. Laurent) has anything to do with this matter, but I had hopes last week when I made an appeal to him in his absence to have some justice done. The

only answer we have got so far in my opinion is a cover-up, coupled with the suggestion of a threat which I found very unpleasant. For that reason I come back to it.

I have tried in this house to speak with a certain sense of responsibility, and I never had a greater sense of responsibility than I have now. Yesterday the Minister of Transport (Mr. Chevrier), to my regret, referred to this as a small matter. I said to him then, and I repeat to him now, that I do not regard justice as a small matter. I regret that it would appear that the attitude of the government—because there has been no other attitude expressed—is that it is a small matter. I still hope this attitude may be changed. I shall try to satisfy the house that the answer that has been given is no answer. If the house should accept that, then I still hope something may be done.

The Minister of Transport spoke more in sorrow than in anger, and wanted to treat me as some kind of erring child. He pointed out to me that I had made a terrible mistake in relying on hearsay. I suppose, in a sense, whatever is in a newspaper is, in the technical, legal sense, for all I know hearsay. After all, the people who are reported in the newspaper do not speak with their own voices. They are reported in the newspaper, and to that extent, in the narrow sense, the minister may be right. However, I do not think we should be bamboozled by the legal jargon, and I suggest that is all the minister was doing. When I asked the minister if he impugned any of the facts on which I based my speech, and which were reported in the Winnipeg *Tribune*, a responsible newspaper, all the minister said was that it was hearsay and therefore he would pay no attention to it. In my opinion the important thing is whether these facts were true as they were related in the newspaper. I believe they are true. Neither of the ministers appeared to say they were not true; therefore I am entitled to believe that, like me, they believe they are true.

Mr. Chevrier: Then why don't you bring them to the proper forum?

Mr. Macdonnell (Greenwood): I consider that this is the proper forum. I understand that this House of Commons is the place where grievances can be brought and where they may be redressed. I believe this is a grievance against the government directly, and that is why I bring it here.

Mr. Chevrier: I disagree with you fully on a C.N.R. matter.

Mr. Macdonnell (Greenwood): Well now, I think I understand what the minister is saying, but I disagree with him wholly. I regret that it seems to me—I was trying to press this point further—that this is one of the things which we on this side so often, and sometimes it seems so unavailingly, press in this house; that is, that the long tenure of power has really made the government believe it is almost an impertinence to come into this house to criticize them. They have got into that state of mind; therefore I think the view of the Minister of Transport, who would ordinarily be a very fair-minded man, in a matter of this kind is just perverse. He is beaten before he starts.

I base my argument on what I believe to be the facts, facts which have not been controverted. There has been an attempt to impugn them, to smear them by saying they are hearsay. If they are facts, then we in this house are entitled to look at them and consider what is the result. I said last Thursday, and I repeat it and feel much more strongly now, that no sane man could look at the two events, the event of September 10 when the Prime Minister was in Winnipeg and the demotion of Mr. Pitt two months later, without coming to the conclusion at which I have arrived. The Minister of Trade and Commerce (Mr. Howe) referred to "unpleasantness". I shall come back to that because I thought perhaps the minister made a larger contribution to the debate than he intended. He revealed to us that he had known about some unpleasantness. I am going to ask later on if he will tell us how that word "unpleasantness" came down here, because in the report we get from the Department of Transport there is no suggestion of unpleasantness. Apparently everything in the garden is lovely. There is no grievance of any kind.

I gave two reasons—there are many but I gave two—for believing that these two events were connected. In the first place I said, how can any sane person believe that the management of the Canadian National Railways could so far forget their common sense as to demote a man who had been in their service ten years in the management of the Nova Scotian hotel, a large hotel with 150 rooms; five years in the management of the Bessborough hotel, with 260 rooms; over a year in the management of the Fort Garry hotel, with 260 rooms. I said it was not possible to believe that the management of the hotels would treat a man in that way, of their own motion, but only if they were impelled to do so by somebody else. Secondly, I gave as an even stronger reason the impossibility of any sensible person accepting the explanation of the president of the Canadian National Railways. I regret more than I can say that a man whom I have always respected

should have given such a reason. The reason given was that this demotion of this trusted man, after nearly twenty years of service, was occasioned by "changes in the management affecting every hotel following the normal review of hotel operation that is carried out by the general manager of hotels". I submit that no man who looks at the facts and is familiar with the ordinary relations between man and man could accept that.

I say, therefore, that it is only to be expected that what the Winnipeg *Tribune* records would be the fact. In its issue of November 14, I believe it is, the Winnipeg *Tribune* says "of those contacted by the *Tribune* today, none accepted C.N.R. president Donald Gordon's explanation of Mr. Pitt's transfer which was announced on Wednesday". I say, therefore, Mr. Speaker, that no one could accept these reasons. The very fact that the president of the railway would put out a reason which cannot be accepted by any sensible man as a reason for doing this shows what a jam they were in, and forces us to look elsewhere.

Let me go back for a moment to the speech delivered by the Minister of Transport. His two complaints against me were apparently that I relied on hearsay. I have dealt with that. I would say that some things are self-evident, and that the connection between these two events is self-evident. We do not need to rely on the technical rules of law. These events carry conviction to any sensible man who will look at the facts. I come back to the other matter. The minister said I had not been very consistent, and that although I had made the statement I believed the Prime Minister had nothing to do with this, as I do believe—I cannot believe the Prime Minister had any truck or trade with small stuff of this kind—

Mr. Howe: Why keep mentioning his name every few minutes?

Mr. Macdonnell (Greenwood): I shall tell you why in one second. The reason I am mentioning him is to answer something the Minister of Transport said. I hope the Minister of Trade and Commerce will think that is a sufficient reason. The Minister of Transport said that although I had said the Prime Minister had nothing to do with it, nevertheless I was inconsistent because, as I understood him, I had several times implied that he was responsible.

Mr. Chevrier: You most certainly did.

Mr. Howe: The hon. member has mentioned the Prime Minister about fourteen times since he started this debate.

[Mr. Macdonnell (Greenwood).]

Mr. Macdonnell (Greenwood): Is the Minister of Trade and Commerce through?

Mr. Howe: You have mentioned the Prime Minister at least twelve times since you have been on this subject.

Mr. Macdonnell (Greenwood): Perhaps the minister is being as accurate as he was the other night when he contradicted me by saying that Mr. Pitt had not been manager of the Nova Scotian hotel, and had to admit later that he was wrong. I come back to the Minister of Transport for a moment. I want to say this. If by any implication I suggested that I was not sincere or that I was qualifying what I said about the Prime Minister having nothing to do with this, I did not intend to do so and my statement was intended to be taken at its face value.

I come back to this suggestion of unpleasantness which we got from the Minister of Trade and Commerce. That, of course, seems to tie in some of the things that are said by the Winnipeg *Tribune*. It does not seem to tie in too tightly with the explanation or the denial that has been given in the answer by the Department of Transport and in what the Minister of Transport (Mr. Chevrier) himself said yesterday. It may be that the Minister of Trade and Commerce (Mr. Howe) will wish to say something more about this unpleasantness.

Mr. Howe: I will indeed.

Mr. Macdonnell (Greenwood): There may be an aroma of unpleasantness down here, after all. Is it a fact that these things were being bandied about? Is it a fact that these things were being discussed in the department? Is it a fact that there may have been more to it than the answer of the Department of Transport suggested? Perhaps the minister will explain.

I now return to the charge made by the Minister of Transport and the Minister of Trade and Commerce the other night that I am interfering with the management of the railway. I am interfering. I am trying to discharge the duty of a member of parliament by protesting against government interference. After all, the government is responsible to this house, although they seem often to forget it; and we as members of this house are surely entitled to come here and complain about it if we believe, as I do, that the government is interfering. I am interfering to that extent. I know they are in danger of forgetting that fact. I suppose if I were in power for 17 years I might be in danger of forgetting it too, but it is a fact. The attitude on that side of the house has come to be: we get away with everything we can and we ignore

complaints because we have the voting power. When other arguments run out, or when there are not any arguments, we are accustomed to hear this one: "Have we not got the votes?". They have the votes, Mr. Speaker. The only question is how long they will have them.

Mr. Cruickshank: For a long time yet.

Mr. Graydon: Don't be too sure.

Mr. Fleming: Time is running out.

Mr. Macdonnell (Greenwood): I have explained why I interfered. I believe the government or someone purporting to speak for the government has played a part in this matter. The reference of the Minister of Trade and Commerce to unpleasantness seems to tie in with that explanation. I believed and still believe that a gross injustice was being done, and I have found a great many people—some inside this house and some outside of it—who agree with me. I believe there was government interference, and I am not the only person who believes that.

I should like to read from a paper which I imagine usually supports the government. It has already been quoted in this house, but I should like to put it on the record again. I should like to read what the Saskatoon paper—I think the *Star-Phoenix* is the name of it—has to say. They are fairly plain. They say:

> We suspect that some member of the Prime Minister's group, possibly some officious party slavey who might have regarded the railway system as strictly Liberal party property, in a fit of pique registered a complaint, and that this brought disaster to a lifetime of service. It is too bad it seems to us that the Prime Minister's name should have been linked with such a business.

Let me say that this is not any reference to what I said about the Prime Minister. This is their own reference. To continue:

> This newspaper, which in this matter presumes to speak for the owners of the C.N.R. who happen to live in this city and who have had the privilege of having Mr. Pitt serve them, would like a fuller explanation from the hotel management and from the Prime Minister's office which, whether properly or not, is involved in the matter.

I should like to read again a sentence I read from the Winnipeg *Tribune* the other evening:

> Was Mr. Pitt given any kind of fair trial? Were the complaints against him and his hotel investigated? There is no evidence that we have been able to uncover that the answer is in the affirmative to either of these questions. Rather, the answer seems to be that the hotel manager was removed from his job without proper investigation because someone in the government or close to the government had thundered. It will be a bad state of affairs for the Canadian National Railways if it is saddled with government interference in management.

I believed and still believe that this house exists for the ventilation and the redress of grievances, and to prevent the exercise of arbitrary power by the executive. That is why I spoke. I repeat that the minister has made no answer to what I said, except the denial and the harping on the word "hearsay" as though it were a kind of spell or incantation. I have said that the facts I have quoted have not been denied in any way. Therefore all we have is this spell or incantation and the taking of refuge behind a denial of his own department and the railway.

My answer is that, however sincere the minister and the president of the railway may be in their denials, I believe that somewhere, somehow, someone has forgotten, or that perhaps the word "complaint"—and the word "complaint" was the one I used in my question—may have been construed in some narrow technical way so that an artificial denial could be given. In other words, I suggest that it is a denial of convenience.

As I said the other night, I still hope that in spite of everything that has happened the Prime Minister may take steps to see that this injustice is redressed as a kind of Christmas present to the gods of justice.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I feel that I should say a further word on this matter. Just let us review the great injustice that has been perpetrated. A hotel manager has been moved, for reasons that I do not know, from Winnipeg to Brandon. Apparently my hon. friend claims that is a fate worse than death. I never knew that Brandon was as bad a place as that. I thought Brandon was a rather pleasant city. I have stopped at the hotel there, and I found it to be very comfortable. I just mention that aspect when we seek to measure the terrific injustice that has been perpetrated against Mr. Pitt.

My hon. friend gave me information which I did not have, namely that Mr. Pitt has been transferred to Brandon at the same salary he was getting at the Fort Garry hotel. My hon. friend goes into the reasons and he speaks of facts. It is a fact that the Prime Minister visited Winnipeg. He did not stop at the Fort Garry hotel, but he had occasion to go there in order to attend a meeting. I suppose he was in the hotel all of two hours during his visit. He went to the hotel. He was greeted by the committee in charge of the function he was attending. He was greeted in the lobby. He went to the function and made his address. He was escorted to the door by the committee and he departed. That is what the Prime Minister tells me his visit to the Fort Garry hotel

amounted to. The Prime Minister said he shook hands with everybody in the group that greeted him in the lobby. He does not know whether he greeted the manager of the hotel or whether he did not. But if he did not, he did not know it, and certainly he made no complaint about it. I hope my hon. friend will accept that explanation. Having mentioned the Prime Minister in every sentence or two since he started to talk on this subject, I hope that he will in future omit the Prime Minister's name in this regard.

Mr. Macdonnell (Greenwood): I said that before you did, and you know it.

Mr. Howe: Then why mention the Prime Minister's name? If the Prime Minister cannot go to Winnipeg, walk into a hotel and address a meeting and then walk out of the hotel without having his name bandied about from coast to coast and bandied about in this house on that account, it is just too bad, in my opinion. My hon. friend is certainly guilty—

Mr. Macdonnell (Greenwood): Tell us about the unpleasantness.

Mr. Howe: All right, I will. I asked about that. I asked in the only quarters in which I am entitled to ask. I did not ask in railway circles, because it is none of my business what the railway does about its internal management; but I did ask two or three members of the party who registered at the Fort Garry on the previous day what had happened. Well, a wire was sent from the plane when it was found that it would be necessary to stop in Winnipeg on account of weather. Reservations were requested and were confirmed back to the plane. The party arrived there and the rooms were not assigned for about an hour and twenty minutes, I believe, after they arrived.

Well, that was all right, but naturally it was unpleasant for the party. I have had the same thing happen to me, and I have been annoyed about it, but I have not complained to the railway management about it. I have not complained to the manager about it. I have groused a little to the desk clerk, perhaps. I daresay something of that kind happened; but every member of the party assures me that they entered no complaint to the management, and I believe it. Why should I not? Not only that, but the president of the railway says that no complaint was entered to the management against what had happened. Because the newspapers have chosen to associate that event with the transfer of the manager my hon. friend believes it, and there is no evidence. What evidence is there?

Mr. Macdonnell (Greenwood): On the information of labour people.

Mr. Howe: Of labour? How would labour know what happened?

Mr. Macdonnell (Greenwood): They were in the hotel. They saw the unpleasantness, no doubt.

Mr. Howe: They saw the unpleasantness in a party that included a minister of the crown, but not the Prime Minister? A minister of the crown was in the hotel lobby sitting on his bags. Since it was a considerable party it would be noticed, I presume.

An hon. Member: Who did?

Mr. Howe: Well, I say those who saw the thing—

Mr. Macdonnell (Greenwood): The minister says the Prime Minister's party was there. He has got the wrong end of the story.

Mr. Howe: I said nothing of the Prime Minister. I said a minister of the crown was there. I said the Prime Minister was in the hotel next day for about two hours attending a meeting. I do not know whether it was a luncheon meeting, but it was a meeting in the middle of the day. The Prime Minister did not register at the hotel; he had other sleeping arrangements, and therefore he is not involved in any delay at the hotel. There was a party, we will say, of five or six people who had had their reservations confirmed. They are delayed in being assigned rooms. That happens in hotels. It has happened to me and has happened to my hon. friend, and we both get a bit annoyed about it. These people were annoyed about it, but there is no evidence whatever—in fact I have the assurance of the men themselves that they made no complaint to the railway management. We have the assurance of the president of the railway that they did not complain, that no complaint was entered. My hon. friend thinks there is something behind this. Well, he is not flattering Donald Gordon. To believe that a complaint that someone was kept waiting in the hotel lobby for an hour and twenty minutes would be considered so serious that he would immediately transfer the manager is ridiculous. If Donald Gordon did that he is not fit to hold the job of president and I am perfectly certain that he did not do it.

If my hon. friend wants to know why this man was transferred, he has the privilege of taking up his complaint in the committee on railways and shipping, and if he does not follow up in the committee I will be there to remind him to do so. It is his duty to find out. He can demand the facts; he can demand the files on the man; he can demand the

operating records of the hotel. He can go to the bottom of this matter, and certainly it is his duty to this parliament to do so.

He says it is his right to redress a grievance. Well, there are grievances all the way from the trackmen up through the list of foremen, superintendents, managers who are retired, and so forth. I have had them all come to me—not all of them, but I have had a few of them come to me, and I have said: I am sorry, it has nothing to do with me. It is a matter for the railroad; and such is the situation as far as Mr. Pitt is concerned.

I do not know that I need say any more. I do say that not a fact has been presented by the hon. member. My hon. friend has before him the official return from Mr. Gordon, the official return from the Department of Transport. He can accept my statement made after questioning two or three members of the first party and of talking with the Prime Minister. He can accept my facts as correct or not, as he likes, but he has not presented one single fact to substantiate his position that the government was involved in the matter, or that it is a matter which he is entitled to take up on the floor of parliament.

Mr. Green: May I ask the minister a question? Who were in this other party?

Mr. Howe: I do not remember all of them, but Mr. Robert Mayhew was the minister involved.

Mr. Macdonnell (Greenwood): Which of them did you question?

Mr. Howe: I questioned Mr. Mayhew. He was in Canada at the time. He is not in Canada now; and I questioned one or two of the others. I do not remember who they were, but I questioned enough people to know—

Mr. Macdonnell (Greenwood): Who were the others?

Mr. Howe: Well, I do not remember.

Mr. Casselman: Pickersgill?

Mr. Ross (Souris): Who made the requests for the reservations?

Mr. Howe: It was made from the plane in flight; I imagine it was made by the pilot.

Mr. H. R. Argue (Assiniboia): I rise to make a few observations on the Currie report, and a few other observations on the report of a royal commission that we are hoping to receive at an early date. Will you call it six o'clock, Mr. Speaker?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Argue: Mr. Speaker, along with other members who have spoken in this debate I was amazed at the contents of the Currie report. I think members of parliament generally will regret exceedingly that thefts have prevailed at the Petawawa camp to the extent disclosed by the report, and that there has been such a terrific waste of public funds. The types of thefts are now well known to members of the house. For instance, we hear of such things as the loss of 18,000 bags of cement and 550 tons of so-called scrap iron, part of which turned out to be not scrap at all but kitchen ranges, cannon heaters, shower stalls and sinks. This is something that all of us must regret exceedingly.

Reading through the report I was amazed to learn that there had been the loss of C.P.R. rails, and that immediately this loss was brought to the attention of persons at the camp they proceeded to tear up and steal the rails from the C.N.R. spur line, to replace the C.P.R. rails that had been taken.

It seems to me clear from the report that the responsibility is very definitely that of the Department of National Defence. If the department had been doing its job these thefts would not have taken place. In Mr. Currie's report, as it appears in *Hansard* at page 712, he says:

> At Petawawa, however, the crooks were present and took advantage of the situation, and it is an unhappy circumstance that the beginning of this investigation lies not inside the Department of National Defence and its full complement of regulations and supervising personnel, but with the receipt of an anonymous letter.

The Department of National Defence, with its full complement of officers and personnel, was either unwilling or unable to discover that thefts were taking place. Placing the responsibility squarely on the laxity of the Department of National Defence, Mr. Currie goes to say:

> It must be said that internal warnings had not been lacking in the Department of National Defence. The chief auditor of the department had performed his functions conscientiously. Time and again he had reported unsatisfactory conditions . . . The deputy minister in each case had directed the quartermaster general to investigate and report. Lack of adequate action at this point had, however, caused a progressive deterioration in the situation. Aside from reports being delayed for considerable periods of time, the record shows the next audit revealing conditions similar to those previously reported and, in some cases, worse. The process is then again repeated.

As I have said, the responsibility lies with the government, with the Department of National Defence. Under our system of responsible government, in my opinion the

government is unable to make a scapegoat of anyone; because even though it may take action against the wrongdoers, nevertheless in the light of this report it is definitely responsible for having neglected to provide against such a possibility, even after having been warned periodically by the auditor.

This report is dated November 26. As one of the press representatives has said—I believe it was Mr. Blakely in this morning's *Gazette*—this is the date of the official version. And the date of the authorized version, the other edition, is exactly the same. We have had therefore two versions of this report.

Well, this is not the only report of a government commission of which we may have two versions. Members from Saskatchewan, in particular, have been hoping that the report of a royal commission on the South Saskatchewan river development project would be made public at an early date. We know, from the reply of the Prime Minister (Mr. St. Laurent) to a question asked by the hon. member for Rosetown-Biggar (Mr. Coldwell) on Friday, November 21, that the report was ready as early as November 19, except for printing, and that according to a letter received by the Prime Minister from the secretary of the commission it was expected that the printing and publication would take place by December 15.

We are now waiting for the Prime Minister to table that report in the house, so that we may see what is in it. I think we have an inkling already of what it may contain, because Mr. V. J. Mackie, a very responsible member of the press gallery, in an article appearing in the Regina *Leader-Post* of November 22 had this to say:

> The royal commission does not recommend that the proposed irrigation and power project be proceeded with, on the grounds that it would be too costly to undertake at present.
>
> The report will suggest an alternative, but much less ambitious, development of the Saskatchewan river, it was learned.

Well, apparently the experience we have had in regard to the Currie report is being repeated at least to some extent in connection with the report of the royal commission on the South Saskatchewan dam, because as long ago as November 22 this press representative makes a categorical statement as to the main findings of the commission. I think it is the duty of the government and the Prime Minister (Mr. St. Laurent) to produce the report of that royal commission to this house before the Christmas recess. I can tell the Prime Minister that if the royal commission recommends against the construction of the South Saskatchewan dam members of parliament from western Canada, at least members of this group, will have something to say about it. We will condemn the abandonment of that project, whether or not the royal commission is in fact recommending against it.

I should like to know if the contents of this article sum up the report of that royal commission. If the report of the royal commission on the South Saskatchewan dam is adverse, then in the light of Liberal promises made in every election since 1935, especially by the Minister of Agriculture (Mr. Gardiner), I believe it will be found that the Liberal party has lost the confidence of the people of Saskatchewan.

It seems clear to me that with the bringing to light of the Currie report, with its damning evidence against the Department of National Defence, the whole government now lacks the confidence of the Canadian people. I suggest to the government that in view of the Currie report, and particularly if the royal commission should make an adverse recommendation as to the building of the South Saskatchewan river dam, the best thing it can do is go to the people of Canada in a general election at a date as early as is practicable having in view road and weather conditions.

I turn now to a matter of local interest which I should like to bring to the attention of the Minister of Public Works (Mr. Fournier). I refer to the request that has been made for the erection of a federal building in the town of Assiniboia. The population of that town is around 2,400. It is a progressive and growing town; it is a town in which new places of business are opening every year, and it should have a federal building.

Mr. Fournier (Hull): The hon. member has just mentioned that we have lost the confidence of the people. Does he think I would dare bring in an item for his post office?

Mr. Argue: If the estimates are brought down at this session I suggest in all seriousness to the Minister of Public Works that he include an item for a federal building in Assiniboia. I do not think the people of Canada, at any rate the people of Saskatchewan, are going to return many Liberals to parliament, but no matter; I do feel that the people of Assiniboia are deserving of such a building. The premises now being used for a post office are rented, and a new federal building could be used not only for the post office but for the local detachment of the Royal Canadian Mounted Police and the federal officials working for the Department of Veterans Affairs.

I want to refer now to what I consider is the plight of agricultural producers, particularly the producers of livestock and dairy

products. I followed with interest the proceedings of the recent dominion-provincial conference on agricultural matters, and I was concerned with the many reports released by officials of the federal government who were attending that conference. According to the Regina *Leader-Post* of October 24 the Minister of Agriculture stated at a public meeting:

"Our livestock difficulty is not there because of anyone's wish," he said, "but because of foot-and-mouth disease".

Then it continued:

"If we could keep our livestock on our farms and feed our surplus grain to it we would solve both problems.

I think there is an increasing indication that today livestock prices in Canada are not at a low figure because of foot-and-mouth disease or because of the loss of the United States livestock market. I should like to quote from a press release which was made at the dominion-provincial conference concerning statements made by officials of the federal Department of Agriculture. One statement referring to the United States was as follows:

The number of cattle slaughtered has begun to increase this year with a more rapid rise in prospect for 1953.

And again:

A further easing of prices received by farmers is suggested for 1953 whereas the index of prices paid by farmers will likely be slightly higher.

Referring to the United States market this official states that there is likely to be a further easing of United States cattle prices. Referring to Canada, this press release stated:

A decline in Canadian livestock prices in 1953 from corresponding levels a year ago will probably result from increased marketings and an anticipated further easing of United States prices. This decrease is likely to be more pronounced in cattle and calves than in hogs, with least change in prices of lamb and mutton.

There we have Department of Agriculture officials saying that 1953 will see a further lowering of cattle and livestock prices in Canada. There has been a terrific fall in livestock prices in Canada from the autumn of 1951 until the present time, and the best prospect officials of the minister's own department can hold out is that Canadian livestock prices will go down even further. Dealing with the farmer's general income position in relation to his 1952 income, the press release had this to say:

Although farm cash income from the sale of farm products and from participation payments may reach a new all-time high, it is estimated that a lower income in kind, reduced values of year-end inventory changes and higher operating costs will serve to provide a net farm income about 5 per cent below a year ago.

The forecast is that farm net income for 1952 will be 5 per cent below farm net income in 1951. It goes on to say that farm income is also expected to be somewhat lower in 1953. In other words the position of the farmer is worsening. Even though the United States market will be opened on March 1 the officials of the minister's department hold out no hope for an increase in livestock prices. In fact they say that there will be a further decrease in Canadian livestock prices. The *Financial Post* of December 13 contained an article on the front page entitled: "Cattle Prices May go Down, Won't Lift With U. S. Ban."

It says:

Thousands of Canadian farmers who are planning to withhold their cattle from the home market in anticipation of higher prices when the United States embargo comes off March 1 may be in for a rude shock. Unless there is a big change in the next two months, and top beef authorities in both countries cannot see it now, Canadian farmers will be forced to take sizable cuts in most cattle prices to get into the big United States market, cuts that could make today's domestic prices look pretty attractive. On the basis of today's prices, for instance, Canada could market only one class of beef cattle in the United States, choice steers. That class represents some 5 per cent to 10 per cent of total normal marketings in this country. None of the big volume cattle types could lay down competitively in the United States after freight, tariff, brokerage and exchange. Here is the current price differential.

Then follow figures with respect to the differential between Canadian and United States cattle prices. If the embargo were lifted now Canadian choice steers, red label beef steers, probably would go up by $1.30 a hundredweight. Good steers probably would go down by $4.30. Canadian commercial steers would drop $5.35 a hundredweight. Commercial cows, good, would drop $2.50 a hundredweight; utility cows would drop $1.80 a hundredweight and canner cows would drop $1.50 a hundredweight. The article to which I have referred shows that the opening of the United States market now to permit Canadian cattle to go into that country and United States cattle to come into Canada would have the effect of lowering Canadian beef prices instead of raising them.

Therefore before the Christmas recess begins I should like an explanation from the Minister of Agriculture (Mr. Gardiner) of his statement that the only trouble with the livestock industry today is the fact that the United States market has been closed. I should like an explanation of his statement that the thing for farmers to do to solve our surplus grain problem and our inadequate livestock market is to feed our livestock on the farms. If the farmers keep back, as they have been asked by the minister to do, increased numbers of livestock on the farms at the present time, the only effect that can possibly have is a further lowering of prices

when these livestock are placed on the market some months from now. I have here a Canadian Press dispatch from Winnipeg dated December 11, which reads:

United States cattle prices are due for a 20 per cent slump in the next four years as beef on the hoof nears 100 million, highest production level in the country's history, Wayne Darrow, president of Farm Reports Incorporated, Washington, said today. In Winnipeg to address the Winnipeg stock exchange annual meeting, Mr. Darrow said in an interview the United States herds are reproducing so fast the American population gain can't keep up.

We have had a dominion-provincial conference on farm matters, and the statements made by the Minister of Agriculture's own officials are almost consistently gloomy. They are forecasting lower livestock prices and a lower net income for agricultural producers. In view of the difficulty we are having in finding adequate markets for beef, pork, cheese, eggs and poultry products, I think the Minister of Agriculture owes it to the house and to the country to make a statement in parliament outlining the position of the agricultural industry and advising our agricultural producers as to what they should do in order to receive the highest possible return in the coming year. I have in my hand the dominion bureau of statistics daily bulletin for Thursday, December 11. In it there is one paragraph headed, "Drop in Index Number of Farm Prices of Agricultural Products in October", which reads as follows:

Canada's index number of farm prices of agricultural products dropped in October to 243·5—

Mark this.

—the lowest monthly standing since April, 1948.

Farm product prices in October of this year were at their lowest point since April, 1948. While farm prices have been going down since April, 1948, farm costs have been increasing at an alarming rate. In 1949, for example, the index number of farm prices of agricultural products was 255·4 while the farmers' cost of production index was 204·1. In 1950 the agricultural prices index was 260·8 while the farm costs index was 210·4. In 1951 the index of prices of agricultural products for the whole year was 296·9 while the index of farm costs was 229·9. For October of this year the index number of farm prices of agricultural products was 243·5 while the index of farm costs was 243·4.

In other words, according to those figures of the dominion bureau of statistics Canadian agricultural producers on a relative basis are in exactly the same position now as they were in the base period of 1935-39. I say that when agriculture is now placed in the position in which it was from 1935 to 1939 it is becoming a depressed industry; and it is becoming a depressed industry because of the policies or lack of policies of this government. Of course members of the cabinet get up and brag about employment statistics, the high national income, the very large gross national product, and they say we have prosperity throughout Canada. There may be prosperity throughout Canada today, but we are rapidly approaching a situation where there may be general prosperity for all but the agriculture industry, which may face a depression.

When the agricultural index figures show that agricultural product prices for October of this year are no better than the prices of agricultural products based on costs of production in the period from 1935 to 1939, then agriculture in Canada is not in a very healthy position. On January 1 the Minister of Agriculture is going to drop the support price of hogs by $3 a hundredweight, from $26 to $23. The government are following a policy of cutting floor prices to the very bottom in the hope that they may prevent full production by the agricultural industry. The Minister of Finance (Mr. Abbott) tells us every time we ask for an increase in the old age pension or the family allowance, or every time anyone suggests that the government should reduce taxes, that the only hope of increased services or decreased taxes is through greater production in Canada, a real increase in the gross national product. While the Minister of Finance is telling Canadians that they must work harder and produce more the Minister of Agriculture is telling the farmers, by the actions he takes, that he is afraid of their production. He wants them to cut hog production, beef production, poultry production, right down the line.

There was one reference during the dominion-provincial agricultural conference that did not appear so bleak. At one point one of the economists said that the future may not be too bad for the Canadian turkey industry. He pointed out that turkey prices are away down this fall, and said that no doubt turkey producers are going to cut production to such an extent that those that stay in the business can expect higher prices next year. I believe that is a bankrupt policy if I ever heard one.

I do not commend a minister very often, but I want to commend the Minister of Trade and Commerce (Mr. Howe) and the government upon the fact that we have, and have had now for a number of years, a Canadian wheat board handling the marketing of all western grain. No party has more consistently supported the Canadian wheat board than the party to which I have the honour to belong. I want to say that I appreciate a statement made by the Minister

of Trade and Commerce when he spoke to the investment dealers' association of Canada in Toronto on October 28 of this year. I wish the Minister of Agriculture (Mr. Gardiner) would study that address very carefully, and I wish he would apply to the rest of the agricultural industry the same type of provision that is now made for the grain producers of western Canada. The Minister of Trade and Commerce had this to say:

> In a year like the present, when handling facilities are congested, you can well imagine what an advantage it is for one marketing agency to have full control over the main western grain crops, and to be able to sell them and move them to market as opportunity arises.

He went on to say that the wheat board had successfully marketed last year's crop much of which was of a very low grade, and that this was one of the most remarkable achievements in the history of the grain trade. At another point he said:

> —I believe that the wheat board has been able to handle the western crop, during the war and since the war, more successfully than it could have been handled by any other marketing method.

The minister pointed out that because of the way the wheat board is operated, all the producers in any given year get exactly the same price for a given grade of grain. I do not need to repeat that I support the Canadian wheat board and the wheat board system of marketing grain. I should like to see the Minister of Agriculture and this government set up a livestock board or agricultural products board along the lines of the Canadian wheat board, to assemble such agricultural products as beef, dairy and poultry products going into interprovincial and export trade, set a proper initial price and pay the farmers the same prices for the products after the year is completed and the final payment is made.

I see that my time is going, Mr. Speaker, and I have an amendment to move. In order to protect myself against loss of time I should like to move, seconded by the hon. member for Melfort (Mr. Wright):

> That the amendment be amended by adding thereto the following:
> "(f) To recommend legislation providing for the payment to producers, in respect of farm-stored grain, of an advance equal to 75 per cent of the initial price as established at August 1 in each crop year."

A few days ago I asked the Minister of Trade and Commerce if he would consider making such an advance payment. He said that such a payment was not needed this year because the farmers had marketed more grain this year than in the same period last year, and they were receiving total final payments amounting to $158 million. I want to point out to the minister and to the house just what this final payment means to the average wheat producer.

According to the 1951 census there were 248,716 occupied farms in the three prairie provinces. As reported in the last grain statistics weekly, the grain marketed up to November 27 of this crop year amounted—this is my estimate on the basis of initial prices—to $335 million. This works out to an average income for the western farmer from the sale of grain of $1,350. Participation payments for each farmer averaged $630. This meant that up until that time a farmer had received or was about to receive in payments on grain, both the initial payment and the final payment, something in the neighbourhood of $2,000 each. This is a small gross income, out of which the farmer has to pay his living expenses; his land taxes; pay for machinery; for petroleum products, and the other costs. Certainly this indicates that the average farmer needs some other provision, which I suggest should be an advance payment on farm-stored grain.

I have heard it said, Mr. Speaker, by various members over a cup of coffee that the western farmer is rolling in money; that the Saskatchewan farmer has never made more money in his history. I have heard it said that if you want to find the western farmers in the wintertime go to California, Florida or Texas; and if you cannot find them all there you may find a few of them in British Columbia. Apparently a lot of eastern people believe that the average farmer in Saskatchewan has three or four sections of land, has modern equipment, works a few months a year and spends the winters in the southern United States. I have the census figures which illustrate the size of farms in Saskatchewan. I find that of the various categories of farms by far the largest number were in the category between 240 and 399 acres. I find that 29,000 farmers in Saskatchewan out of 112,000 operated a farm equal to a half section of good land or three-quarters of a section, one-quarter of which was not entirely under cultivation. Farmers who owned more than five quarters of good arable land amounted to only 8 per cent of the total number of farmers. The farmers of western Canada are on the whole not large land owners but farmers with a half or three-quarters of a section, and it is in the interests of the vast majority of farmers that I am proposing this further subamendment.

I want to point out, Mr. Speaker, that United States farmers are able to obtain a loan on farm-stored grain. The Minister of Trade and Commerce has said that the banks will lend the farmers money. I saw a statement in the Regina *Leader-Post*, I believe

it was about November 30, in which the bank officials said they were prepared to lend money on farm-stored grain provided the grain was in good condition and the farmer was in a sound financial position. I am afraid not all those farmers about whom I have been talking, because 80 per cent or more are relatively small farmers, would be able to convince the banks that they were in a sound financial position.

In this proposal, I am not asking for any money from the federal treasury. I am asking for legislation to make provision for the advancing of money on farm-stored grain. I believe it is the best security in the world, and I believe the farmers would be prepared to pay a nominal rate of interest to cover all the costs involved.

Another reason I feel such a proposition should be implemented is the further fact that the farmer is perhaps not the person who suffers most when he cannot sell his grain. The person who suffers greatly, in my opinion, is the businessman in our small communities. A farmer may owe $1,000 or $2,000. A small businessman may have on his books $10,000, $15,000 or $20,000. He knows the accounts are good. The grain is in the bins. But the farmers are unable to sell their grain as rapidly as they would wish and for that reason are unable to speedily pay their accounts.

I moved a similar amendment last year. At that time the hon. member for The Battlefords (Mr. Bater) moved a subamendment. That subamendment wiped out almost all of my amendment, certainly that part of it in which I was interested. His amendment thanked the government for everything they had done for the farmer. That was fine. This amendment I am now moving is a subamendment and, as I understand the rules, we shall have an opportunity to vote on the subamendment. I ask the hon. members from western Canada, particularly those from Saskatchewan, no matter to which party they may belong, to consider this amendment carefully. I submit that they should vote for it on the basis of the advantage which will accrue to the people they represent.

Mr. Solon E. Low (Peace River): Mr. Speaker, I have not yet had an opportunity of saying a word about the Currie report, for two reasons. The first and most important one is that I had already exhausted the time I had under the subamendment which we had moved. I therefore could not speak again until now. The second is that I wanted to read the report most carefully and to weigh as calmly and as carefully as possible every word in it, in pursuance of the request made by the Prime Minister (Mr. St. Laurent) yesterday. I have now given it as much consideration as I can in the time I have had, and I should like just to sum up briefly the attitude I take toward it.

I think there are three things more particularly about which I find myself concerned, and I believe these will be the things that will concern the people of the country as well. The first is that the report is full of evidence that what we told the government two years ago was correct. On several occasions we warned the government that they would have to use vision and foresight, and that they would have to make careful provision against possible wrongdoing, graft and dishonesty because their defence effort was growing bigger every year and would therefore offer greater opportunity for these evils.

The people of the country are certainly going to be greatly alarmed over the evidence of lack of vision and foresight on the part of top or near-top officials of government, as revealed in the report. The government must have known that the bigger the defence effort, the greater would be the opportunity for waste, dishonesty and graft. To me it is surprising—and I suppose it will be surprising to everyone in the country who thinks about it—that, under the circumstances, the government did not see fit to place in responsible positions of authority first-class administrators with adequate training so they could administer the billions of dollars that are being spent and see to it that a system was provided that would prevent waste and graft. Civil administrators of top ability were not appointed and placed in proper positions, although adequate warning came from this side of the house on various occasions. The government therefore really has no excuse.

The second thing about which the people are going to be greatly concerned is this. There are plenty of indications that officials in responsible positions have winked at and continue to wink at evidence of wrongdoing; and they continue to do this until the accumulation of irregularities grows so big as to excite the public in the area in which they have occurred to make complaints and ask for an investigation. In the report of Mr. Currie there seems to be plenty of evidence that a breakdown of morality followed a breakdown of watchfulness and control in the Department of National Defence. If a blind eye continues to be turned toward the serious breaches of regulations, the question most of us ask is this: how long will it be until the whole administration is shot through with immorality? That is the big issue. The government should crack down hard on those who are guilty; and in doing so they must not overlook the people in top positions. They are guilty. There is no question about that.

The third thing I found that concerned me greatly was the situation with which we are confronted when anyone would attempt to tamper with royal commission reports, to change them in order to soften the impact of the findings on the people concerned. I think it is a shocking situation that has been laid bare here in these past two days, and the taxpayers of the country will not be insensible to the fantastic things that have been revealed. I cannot reach any other conclusion in connection with this matter than that the government must take the full responsibility. Inasmuch as that is so, it seems to me that I must add my voice to the voices of those who have already asserted that the Minister of National Defence (Mr. Claxton) ought to resign.

Perhaps there are others who ought to resign along with him. It is that subject that I should like to talk about for the next few minutes. What I have to say now, Mr. Speaker, was occasioned by a speech made in this house on the evening of December 4, to which I have not yet had a chance to reply. I should like to refer in a general way to the speech that was made by the Minister of Mines and Technical Surveys (Mr. Prudham) that evening. The case he made then was sound, wholly sound. I should like to emphasize the fact that his arguments appeared at that time to register with some of his frightened Liberal colleagues in this house, but they certainly fell flat in Alberta. The people out there are well enough informed that speeches like the one the minister made serve only to convince them that they have made a serious mistake in sending down to parliament a man who cannot do a better job than he did on that occasion.

To all of us who watched the minister as he delivered his speech it was quite evident that the arguments that were written into it did not appeal greatly even to him. He says he wrote it himself. He therefore will have to take full responsibility for it and for what I have to say. I think he might learn that ghost-writers can be a terrible handicap. The beggars are never around to take the rap when the rap comes. Perhaps we should not be too severe on the Minister of Mines and Technical Surveys because giving that speech was likely one of the prices he had to pay to his party for the privilege of being Alberta's only cabinet minister.

These things seem to carry their price tags, especially in the Liberal party. This past summer I saw the minister's buddy doing some chore-boy footwork for the party around various communities in the Peace river country. That was likely to pay off his debt for the security he obtained. I am speaking now of the senator from Alberta. It must have seemed queer to the house to watch the spectacle of a minister of the crown in this parliament firing the first gun in the Peace River election campaign, a constituency that is over 300 miles from his own constituency of Edmonton West. Hon. members did not know that the minister had been laying the groundwork for that campaign for over a year.

This was not the first instance. I want to give the background to measure what he had to say, because one has to have it. Early this year the minister went to the radio bureau in Ottawa requesting the right to participate in the free time reports from parliament hill over the radio station in the Peace river country, and he based his demand on the argument that there were certain people in a remote part of his constituency of West Edmonton who could not be reached over the two Edmonton stations, although no part of his riding is more than a few miles from those stations while the station in Grande Prairie is 340 miles from the farthest elector in the West Edmonton constituency. Well, he got the time over the air, and he has been sharing that free time with me over station CFGP in Grande Prairie. Therefore it was not surprising, sir, that the minister carried his Peace River campaign into this house. But what is surprising and almost beyond belief is that a responsible minister of the federal government, the only one Alberta has down here, would rise in his place in this house and make such utterly irresponsible statements as he did a week ago last Thursday night.

People have a right to the truth, particularly from men in the responsible position of ministers of the crown.

Mr. Prudham: That is what they got from me.

Mr. Low: I will examine that in minute detail, and we shall let the people judge for themselves on the basis of the facts and the evidence, not just hearsay, or what some ghost-writer puts in.

The minister showed himself to be more irresponsible than any other minister in my experience, Mr. Speaker, and I have seen a lot of them come and go. I am going to say that his speech was full of half-truths and misrepresentations. There were at least two distortions, out of all semblance to their real selves; and there was one statement—well, I do not say it was a complete distortion, Mr. Speaker, it was totally wrong. The minister must have had his green spectacles on when he read what I heard him say here on the 25th day of November, because he did not seem to know that I did not say that his trip to the Peace river was a casual one. I never made any such statement at any time. I did

say that he had gone up there to attend a nominating convention, and at that nominating convention made certain statements and cast some rather serious personal aspersions, one of which was that I was not sincere. Well, I was answering that, and the speech he gave the other night in the house was an answer to what I said. I will not take much time to deal with the minister's transparent effort—and it was a transparent effort —to belittle me and hold me up to ridicule.

I am of course grateful to the minister for revealing this far ahead what kind of personal attack he and his Liberal party will launch against me in the federal election campaign next year. You know, it is a good thing to know ahead, because good strategy says: find out what your enemy wants you to do and just do not do it. I thank him for letting me know of it. The only thing he and his party can find to criticize in the eight years I have represented the Peace River constituency is that I do not live there.

The minister says the people of that district are becoming very much aware of the fact that they should have a member of their own community representing them. Well, Mr. Speaker, the Liberals up in Peace River and the minister over the radio are doing their level best to whip up that kind of sentiment by every means, fair or foul, they can think of. Let me make it clear that I have never at any time felt that the people of the Peace river country could not find plenty of individuals amongst themselves who are perfectly capable of representing them in this house; but I did not seek the nomination, and I would like the minister to know that. I did not seek the nomination in Peace River; I was invited, and I was strongly pressed and urged by the people up there to let my name stand for nomination both in 1945 and in 1949. And I will just tell the minister something else that he seems to forget. In 1945 when the people of the Peace river country held their Social Credit nominating convention I was not even there. I was nominated in absentia, and was notified by telegram that that had been done.

In the intervening years I believe that I have served the people of the constituency well. Most electors up there admit that every section and every corner of the vast constituency, one of the biggest in Canada if not the biggest, have seen me, their Social Credit member, more often and more regularly than they have ever seen their other representatives, including the Liberal ones they have had. I have made a sustained and conscious effort to do my duty to those I represent, and from the evidence I found on my most recent journey through that great constituency the vast majority of the people up there have appreciated the efforts I have made and the service I have earnestly tried to give them.

It is true that I live in Ottawa, but so does every other party leader; but of course the Minister of Mines and Technical Surveys did not want to be fair about that and grant me the same privilege he grants to his own party leader and to other party leaders as well. He claims, of course, that he lives in Edmonton. The fact is that he lives in Ottawa and continues to own a home in south Edmonton. Let me make it abundantly clear that I do not begrudge him owning that home. If he owned three I would say we ought to be glad we live in a country where people can own three homes if they want to. I say that is his own right, and he does live in Ottawa to carry on his work; but not many of us, sir, can afford two homes. Most of us have a hard enough time to carry the expenses of one home; but those of us who are called to party leadership find that we must live in Ottawa to be able to faithfully and efficiently do the work that devolves upon us. Of course it would hardly be expected that the minister would be moved by any feelings of justice and fairness in such matters, inasmuch as some political advantage might be lost if he did so.

I should like to turn for just a few minutes, Mr. Speaker, to some of the particulars of the speech the minister gave, because I want to substantiate what I said at the beginning that his speech was full of half-truths, told as if they were whole truths, misrepresentations and distortions; and if I cannot do this then I shall proceed in the minister's presence to eat this whole *Hansard*.

Mr. Riley: Will you eat the Alberta story too?

Mr. Low: In the first place I should like to point out, Mr. Speaker, that the minister seemed to be very concerned about the Peace river country, and he spoke very well about it. I was glad to hear him say the wonderful things he did, because it is a great country. But I am interested in this particular thing. They say that in 1492 Columbus discovered America; in 1952 it appears that the Liberals have discovered the Peace river. That is most interesting to me. He told some very interesting things about the Peace river country. I do not know why, but he got it mixed up with British Columbia building a little connecting highway from very near the Alberta border to Prince George. At any rate, he said the people of the Peace river district looked forward to the day when they could have rail transportation to the Pacific coast. Well, I say, "Yes", just as I did when

the minister was speaking. They certainly do look forward to that. Let me point out just a few things that perhaps the minister has not reviewed.

In the election campaign of 1925 the prime minister and leader of the Liberal party promised an Edmonton audience that the Liberal party would make the Peace River country the spearhead of that party's program. That was in 1925. Right Hon. W. L. Mackenzie King assured a lot of Peace River people that that would be done. There were a lot of Peace River people at the Edmonton meeting and the Liberals wanted a Liberal member up there, you see. In the 1926 campaign this same Liberal leader told a similar audience in Edmonton that he would build a coast outlet to the Peace river country as soon as it was humanly possible—to get votes, of course. Then when the 1930 election campaign got under way Mr. Mackenzie King told another Edmonton political gathering that he would support the construction of a railway from the Peace river country to the Pacific coast within one year, if the railway companies failed to build a coast outlet within the year. At about the same time Sir Henry Thornton, then president of the Canadian National Railways, said that when grain shipments from the Peace river country reached 10 million bushels per year, the railway from the Peace river to the coast would be built.

Well, this is the final month of 1952, and that great country of the mighty Peace is in much the same position with regard to rail transportation as it was in 1925, except that the Minister of Mines and Technical Surveys (Mr. Prudham) has again said that the Peace river country ought to have a railway to the coast.

Twenty-seven years of promises, broken Liberal promises, are all the people of my constituency have had, and no rail outlet westward is in sight even yet, despite the fact that the total yearly grain production has reached almost four times the 10 million bushels that were held by the president of the C.N.R. to be necessary before his company would begin building that railroad.

My constituency of Peace River does, indeed, need a rail outlet to the coast. The vast majority of the people out there have no confidence whatever in Liberal promises. So they are prepared to support a movement that has demonstrated that it just does not go around at election time making idle promises. They know that a Social Credit government at Ottawa would have that railway between Hines Creek and Dawson Creek extended to Prince Rupert and/or Vancouver in its first term of office.

The Peace river country is even now one of the greatest food producing, timber producing and mineral producing areas in America; and the 65,000 people up there are entitled to better treatment than they have had at the hands of a Liberal government here in Ottawa. They are carrying a transportation burden away beyond their ability to bear, and certainly away beyond what they should bear.

The Minister of Mines and Technical Surveys made a statement in connection with conservation in Alberta. He claimed there was no conservation being carried on, and then he said:

> One place in Alberta where conservation is being practised is on the important eastern slopes of the Rockies where under a federal-provincial arrangement a splendid timber and water conservation program is being carried out. In this case, under the joint agreement, the federal government is contributing the major share of the required funds, close to $4 million to date.

Now, Mr. Speaker, I admit that there is a very, very wonderful joint conservation program going on. I admit openly, and have done for many years, right before this House of Commons, that the eastern slope of the Rockies agreement is a splendid agreement. But what the minister does not tell the people, when he makes reference to this matter, is that for a good many years Alberta carried the total cost of preserving the watershed on the eastern slope of the Rockies, which gives rise to interprovincial waters and therefore becomes essentially a federal matter.

Mr. Prudham: How much did they spend on it?

Mr. Low: We spent a good many hundred thousand dollars before we even got the federal government to come in. As far back as 1937 and 1938 I recall making visits to Ottawa as one of the ministers of the crown of Alberta. I was accompanied by Hon. Mr. Tanner, and we pleaded with the federal government to take action and help us preserve the eastern slope of the Rockies. It took them a good long time to make up their minds that it was at least partially a federal responsibility.

I do not mind admitting that the federal government are now doing a good job, and the provincial government are doing a good job along with them. But what I do mind is efforts on the part of the minister to make it appear that the federal government proceeded alone to do this whole thing.

Mr. Prudham: I did not say that. I said it was a joint effort.

Mr. Low: The minister made the statement, only a half-truth, that the federal government has already done the lion's share. Let me say this, that at the time the negotiations were under way for legislation making provision for a commission to deal with the eastern slope of the Rockies, a former minister of mines and resources, Mr. Glen, had this to say on February 28, 1947, as reported at page 889 of *Hansard*:

> May I add a word of appreciation of the wholehearted co-operation extended by Premier Manning and the Hon. Mr. Tanner in working out the details of the arrangement. In our discussions at no time did they forget the wider interests involved.

Now, if the minister would indicate a similar attitude, I am certain he would feel the warmth of complete co-operation, too.

Then here is another half-truth: The minister referred to oil and gas development. He said it would not have been possible but for the federal geological surveys and studies, as well as the production of federal maps ever since 1873. Well, we recognize, and we always have recognized, the work of the federal department. But let me just point out that the Liberals sat on the oil in the province of Alberta for a long time without developing it. I say that it is providential for the people of this country that the discovery of oil came as it did come and when it did come, at a time when a government was in office in that province that would see to it that the development took place, and that such development was carried out in the interests of the people.

Mr. Prudham: Do you think Providence arranged it that way?

Mr. Low: If I had the time I could easily make some comparisons showing the development of resources in provinces that have been presided over for a long time by Liberal governments. The share of the resources recovered for the people in those provinces would bear a mighty puny relationship to what has been recovered out of the resources developed in Alberta. I might point out that in an article written recently by none other than the hon. member for Calgary West (Mr. Nickle) as reported in the Calgary *Herald*, he said:

> During the first six months of the current fiscal year, from April 1 to September 30, the Alberta government poured into its bulging treasury an estimated total of $31,338,000 setting a new record half-year "take" from the 132 million acres of crown petroleum and natural gas rights administered by that government on behalf of the joint owners, Alberta's 900,000 citizens.

And let me say just this to the minister, that when he talks about the great help the federal government has given to the oil industry, I wonder if he will claim credit for the crown reserves idea. Does he claim credit for the checkerboard idea? Does he claim credit for the idea of the lease, rental and royalty system? Those are the things that count, not just the fact that some maps and surveys were supplied although, as I say, we fully appreciate what the minister and his department have done over the years.

In the course of his speech the minister had something to say about coal. I should like to read his statement in this connection as it is reported at page 356 of *Hansard*:

> On the other hand, so far as the coal industry is concerned, in my opinion the Alberta government, though it has collected large sums in royalties, has done little to assist the industry in a practical way. Actually a total of over $6 million in royalties, fees, rentals and mineral taxes has been collected by the Social Credit government from coal mines in Alberta since it came into office. I want to make it quite clear, however, that the Alberta research council, within the scope of its limited facilities, has co-operated at all times with federal agencies. The relations between the scientists of the council and the scientists of the Department of Mines and Technical Surveys have always been most cordial and mutually helpful.

Well, the implications of the last part of that statement are that relations between the minister's department and government departments in Alberta are not so good. That is the only implication I can take from it.

Mr. Prudham: Oh, no, I did not say that.

Mr. Low: I shall leave it to the people who read this to say if that is not so. I think it is quite understandable in the light of the speech made the other day by the minister. If he would not come down here and slander his own province in connection with what is going on there he would be able to expect a whole lot more co-operation than he seems to get.

While we are talking about coal, and in the light of the statement the minister made, I took the trouble to inquire of the department in Alberta that has to do with coal just what were the facts. I should like to place on the record what the minister of mines and minerals of Alberta, none other than Premier Manning, had to say. I quote:

> Alberta has consistently pressed for a national coal policy which the federal government to date has failed to establish. Nature of federal subventions discourages planning long term operations and substantial capital investments in operating equipment. Federal government has failed to prescribe and enforce proper standardization and classification of coal sold with resultant adverse effect on Alberta mines. Since nineteen thirty five four hundred and seven thousand dollars spent on coal research and eight hundred and sixty four thousand on mine safety.

I leave it to the people who read both those statements to decide whether the minister was telling the truth or whether he was telling just a very small fraction of the truth.

Mr. Prudham: Mr. Speaker, on a question of privilege, the hon. member has suggested that I was not telling the truth.

Mr. Low: I said that the people of the country, with those two statements before them, what the minister said and what I have put on the record as factual, would be able to determine whether the minister was telling the truth or a fraction of the truth.

Mr. Prudham: The statistics I quoted can be verified from the bureau of statistics figures. Any figure I gave can be verified from official sources. I resent very much the insinuation that I was not telling the truth.

Mr. Low: As I said, I shall let it rest and the people can see for themselves when the minister stands up with all the figures at his disposal and says, as reported on page 356 of *Hansard*:

> On the other hand, so far as the coal industry is concerned, in my opinion the Alberta government, though it has collected large sums in royalties, has done little to assist the industry in a practical way.

I have shown already how much money the Alberta government has spent in assisting the coal industry. That seems to me to speak for itself. Then the minister is reported on page 357 of *Hansard* as having said:

> In Edmonton a great monument has been built to the high priest of the Social Credit, the late William Aberhart. It is a beautiful, up-to-date and modern sanatorium. The federal Department of National Health and Welfare contributed $600,000 to the cost of that building, including furnishings and equipment. So far as I have been able to find out the provincial government has not at any time publicly acknowledged this assistance.

I am sure that subtle dig at the fact that Mr. Aberhart was a minister of the gospel will not be lost on the people of Alberta. I am certain that it will be noted and resented by a good many people in the minister's own constituency. But the point I want to get over is that in various places in his speech of December 4 the minister said that the province of Alberta had failed to acknowledge certain gifts by the federal government. In every single instance, including this item of $600,000 contributed by the federal government toward the construction of the Aberhart sanatorium in Edmonton, the money was earned by the province by living up to certain prerequisites laid down in statutes passed by this parliament. In other words, the things we have earned are statutory. I take it for granted that when we earn them by living up to certain regulations, it is just the same as subsidies and over the years it would become an old payment. If you earned it you would get it. There was not a single thing mentioned by the minister that does not come within that category. I do not suppose the minister meant that every time we earned one of these things we should put up a sign that the federal government in its beneficence has given us something.

The thing the minister does not say is that all the federal government is doing is paying back to Alberta some of what it has taken out of Alberta in the form of taxation. He has tried to get over to the people of my constituency and others that the federal government has been paying sums of money to the people of Alberta. The fact is, according to bureau of statistics figures which I have right here, that total expenditures in 1951 in Alberta by the federal government were not equal to the income tax alone taken out of that province. I shall be glad to furnish these figures to the minister so he can see for himself. Both statements are here. That is a point of fairness to be considered. The federal government are not giving the people of Alberta anything. They are simply giving back some of what they think the people of Alberta have not brains enough to administer for themselves. That is why they are centralizing financial authority in the federal government, something which we have fought against for many years.

Mr. Howe: Does Alberta want to look after its own defence?

Mr. Low: We are prepared to pay our share of the cost of defence. We have never complained about that, but we have never heard any complaints that we do not raise a flag or standard every time you spend a dollar on defence in Alberta.

Mr. Prudham: You even put the oil in the ground.

Mr. Low: Oh, now. Here is another misrepresentation, and I refer again to page 357 of *Hansard* where the minister is reported as follows:

> The matter of highway construction is yet another example of federal aid. The trans-Canada highway, which is being constructed in Alberta, is without question the best engineered and best constructed highway in the province. This has been done under supervision of the Department of Resources and Development. Approximately $10 million of federal money has been spent to date on this one highway. It is hoped that the provincial government will in future follow the same engineering practices that have been instituted on that project, and endeavour to bring the provincial highways up to a safe standard.

And again:

> It is my observation that the provincial highways in Alberta very closely resemble the Social Credit movement; they have a very expensive top but no solid foundation.

Some hon. Members: Oh, oh.

Mr. Low: I am glad hon. members opposite applaud that remark, because it indicates that they join in what the minister has said and furthermore there is an implication that they approve. We will see what the facts are. That whole statement is couched in such a form as to suggest that federal government shares the cost not only of the trans-Canada highway but of other highways in the province. That is misleading.

Mr. Prudham: No, it does not.

Mr. Low: We will let that pass. I want to put on the record the facts about the trans-Canada highway. I took the trouble to refer what the minister had said to the proper officials in Alberta, and I am going to read into the record what they gave me from their own records. I quote:

> Prudham's highway statements ridiculous to a point that it makes it hard to believe they were made by responsible federal official. All main arterial highways including trans-Canada in Alberta being constructed—

Mr. Howe: Is it parliamentary to read a statement from another government into the record?

An hon. Member: Of course it is.

Mr. Low: Of course it is.

Mr. Ross (Souris): It is difficult for you people to understand.

Mr. Deputy Speaker: The minister is asking if it is parliamentary to read—did he say the orders of another government?

Mr. Low: A statement.

Mr. Howe: To read a statement of another government into the record of this parliament.

Mr. Fulton: You knew it all the time.

Mr. Howe: Well, it is unparliamentary.

Mr. Deputy Speaker: In order to throw some light upon the point, perhaps the hon. member for Peace River (Mr. Low) would tell the house what is the source of his information.

Mr. Low: Yes, Mr. Speaker. I referred the words of the Minister of Mines and Technical Surveys (Mr. Prudham) with respect to Alberta highways, contained in the speech which I just quoted, to the department of highways of the Alberta government and asked for the facts. I am now reading into the record the facts given me by the premier as he got them from the highways department.

Mr. Prudham: What did I say that was not a fact?

An hon. Member: Everything.

Mr. Deputy Speaker: Really I do not think there is anything under our rules that prevents the reading of a document such as the one the hon. member for Peace River now has in his hands.

Mr. Howe: Just listen to the opening words.

Mr. Low: I would be glad to table this but my time is passing and I must hurry. I want to start from the first again. It reads:

> Prudham's highway statements ridiculous to a point that it makes it hard to believe they were made by responsible federal official. All main arterial highways including trans-Canada in Alberta being constructed to same specifications. Apart from trans-Canada highway there are several hundred miles of equally as well constructed roadway. Where warranted some stabilized gravel base courses being built thicker on provincial highways up to 14 inches in depth as compared to 9 on trans-Canada. No main highways in Alberta being built without proper subgrade. Prudham's statement that work done under supervision of Department of Resources and Development is absolutely ridiculous. Department of resources has one engineer in Alberta but all engineering of the trans-Canada is being done and has been done by provincial government engineers.

Mr. Prudham: Under his supervision.

Mr. Low: I continue:

> At a recent dominion-provincial conference of engineers called by Hon. Mr. Winters high praise was tendered to Alberta for their work including the origination of the stabilized gravel base shoulder. All expenditure on trans-Canada appropriated by Alberta legislature, and federal government reimburses Alberta up to 50 per cent. Whatever the federal government contribution the Alberta government contribution has been greater as we pay entire costs such factors as right of way and categories of fencing. Present specifications in trans-Canada and other Alberta highways devised by engineers of provincial governments and not federal government. Original draft of specifications used throughout western Canada prepared by—

Mr. Prudham: The standards were set by this government.

Mr. Low: I continue:

> —Alex Frame, deputy minister of highways for Alberta and Harry Anderson of British Columbia's highways department. Present four-year program of construction including subgrade, stabilized gravel base course, surface course and seal coat was wholly and completely policy of Alberta government. Soil testing laboratory in Alberta comparable any in Canada. Alberta likely will be first province to complete its trans-Canada highway commitment. In further reference Prudham claim that federal government—

Mr. Fournier (Hull): Mr. Speaker—

Mr. Low: I continue:

> —has spent ten million on trans-Canada highway in Alberta—

Mr. Fournier (Hull): Mr. Speaker, may I call your attention to citation 306 in Beauchesne's second edition, which reads as follows:

> It is not in order to read articles in newspapers, letters or communications emanating from persons outside the house and referring to, or commenting on, or denying anything said by a member—

Mr. Low: Mr. Speaker—

Mr. Deputy Speaker: Order. When the point was raised a moment ago I had in mind citation 241 in Beauchesne's third edition, which is about the same as the one the minister has read from the second edition of Beauchesne. It reads as follows:

> A statement made by a member in his place is considered as made upon honour and cannot be questioned in the house or out of it.

Then there is also citation 259, which reads as follows:

> It is a well known principle that a statement made in this house cannot be contradicted by a statement made by a person who is not a member of the house.

As I pointed out a moment ago, when the Minister of Trade and Commerce rose on the point of order I could not hear—and this is no reflection whatever upon the value of the new sound system now in operation—what the hon. member was saying in beginning to develop the particular point. However, as I now understand it he is trying to contradict a statement made by the minister in the house with certain evidence or statements given to him by somebody outside of the house. According to the citations I have just read it would appear that the point of order raised a moment ago is well taken.

Mr. Fournier (Hull): If the point of order is well taken—

An hon. Member: It is not well taken.

Mr. Fournier (Hull): —I would suggest that Your Honour direct that the portion of the document that has been read into *Hansard* be expunged therefrom.

Some hon. Members: No, no.

Mr. Fleming: You cannot do that.

Mr. Low: Wouldn't that be wonderful!

Mr. Fournier (Hull): When the hon. member began to read the document the point of order was raised but it was not decided, and I cannot think, Mr. Speaker, that you would allow to remain on the records of the house something which was absolutely out of order.

Mr. Ferguson: Mr. Speaker, you made a ruling and your ruling is in *Hansard*. That expunges it.

Mr. Deputy Speaker: Order. It is a very elementary rule that when the Speaker rises hon. members must at least give him certain attention, and that applies to all hon. members. I do not think I have the authority to instruct that anything be expunged from *Hansard*. It may be that it has been done, but to my knowledge it has never been done since I entered the house. The ruling I have given on the point is in itself tantamount to expunging the record of what is there. It is the same as when certain offensive words are uttered and a member is called upon to withdraw. The offensive words remain in the record but the withdrawal which follows is an indication that the words should not have been said. The same thing is applicable in this case, unless the minister has a citation which is relevant.

Mr. Fournier (Hull): Here is the position I would take. The Speaker has now ruled that the hon. member was out of order, and knowing that the hon. member would like to be in order I suggest that he should withdraw all that part of the document which he read.

Some hon. Members: No, no.

Mr. Low: Speaking to the point of order, may I remind my friend the Minister of Public Works, the house leader, that if he were to ask all members of the house to do what he is asking me to do there would be only half a *Hansard* left.

An hon. Member: That would be good.

Mr. Fournier (Hull): All to the good, Mr. Speaker.

Mr. Low: I will continue on my own responsibility, Mr. Speaker. I certainly will not read anything more.

Mr. Deputy Speaker: It is unfortunate that some time has been taken up by the discussion of the point of order, but on the other hand the hon. member's time was due to expire at 9.25. In all fairness to the hon. member, I will let him conclude now if he wants to do so. Otherwise his time has expired.

Mr. Low: I will conclude what I wanted to say about highways. There is one point that I think should be cleared up with respect to this highway matter. It is a part of what I wanted to say in rebuttal to the minister's speech. He claimed that the federal government had spent $10 million. I want him to know—

Mr. Prudham: Approximately.

Mr. Low: You did not say "approximately". You said that the federal government had spent $10 million on the trans-Canada highway in Alberta. I have ascertained that the actual payments by the federal government received by the Alberta government on the trans-Canada highway account up to December 1 of this year total $1,321,000. That is just the kind of thing that I say is misrepresentation. Let me say further, Mr. Speaker, that the Alberta government is anxiously awaiting payment by the federal government of additional claims that have been made and which, for some reason, are being held up.

Now, Mr. Speaker, since you have drawn my attention to the fact that my time is almost up I can let my case rest for the time being. There are quite a number of other things which will take more time to present later.

Mr. Murray (Cariboo): I should like to clarify something that was said by the hon. gentleman with reference to the construction of a railway from the Peace River country to the Pacific coast. Is it not a fact that the provincial government has the right to construct a railway to the Pacific coast? Provincial governments have authority over property and civil rights. You have control of the governments of Alberta and British Columbia. Why would you postpone the building of the railway until you take over the House of Commons?

Mr. Low: Would the hon. member for Cariboo (Mr. Murray) advocate, or is he advocating, that Alberta take over British Columbia?

Mr. Murray (Cariboo): It is a *fait accompli*, as some people say. It has already been done. I want to say that the government of British Columbia—

Mr. Fulton: I should like to point out that the hon. gentleman speaks solely and exclusively for himself.

Some hon. Members: Sit down.

Mr. Murray (Cariboo): —last year built 80 miles of railway.

Mr. Deputy Speaker: Order. The hon. member has had a reply to his question and should not now make a speech.

Mr. Fulton: On a question of privilege, Mr. Speaker, may I point out that the hon. gentleman speaks solely and exclusively for himself. Both hon. gentlemen know that British Columbia stands on its own feet.

Mr. Deputy Speaker: I do not think an hon. member should rise on a so-called question of privilege; that does not help to keep decorum in this house. I do not think hon. members should stand up on the pretext of rising on a question of privilege in order to discuss a matter not concerning a question of privilege.

Mr. Fulton: Apply the rules to both hon. members.

Mr. Deputy Speaker: I have already told the hon. member for Cariboo (Mr. Murray) that his question having been answered he should not make a speech.

Before we leave the matter which was raised a moment ago, may I say that the Clerk has just handed me a decision which was made by Mr. Speaker Black on April 10, 1933. It is reported on page 802 of Beauchesne's third edition. This judgment by Mr. Speaker Black does indicate that the house has the authority to have certain declarations expunged from the record. The Speaker, his ruling being subject to appeal to the house, is allowed to do it. I merely wanted to have this citation quoted so that it reads with my remarks concerning the point of order raised earlier.

Hon. Stuart S. Garson (Minister of Justice): I am not rising on a point of order, Mr. Speaker, but to make a speech; and not about the Currie report.

Mr. Fleming: Pretty late in the day.

Mr. Garson: This matter will be fully dealt with by my colleague the Acting Minister of National Defence (Mr. Campney).

An hon. Member: When?

Mr. Garson: Tomorrow. However, there are one or two observations I should like to make in connection with that report, arising out of the prosecutions that have taken place. As hon. members know, commencing in May of this year, with the last case being disposed of early this month, eleven persons were convicted—

Mr. Ferguson: To which report are you referring?

Mr. Deputy Speaker: Order. When the hon. member who has the floor does not resume his seat upon request for permission to ask a question, no question should be asked.

Mr. Garson: The records indicate, Mr. Speaker, that in those prosecutions some eleven persons were convicted and are now serving terms in the penitentiary, and three were acquitted. I am sure all the members of this house are familiar with the fact that engaged for the defence in many of those cases were some of the cream of the criminal law talent in the province of Ontario. I do not know of any more efficient way of testing facts that are facts than in a sternly contested prosecution with able counsel on both sides.

There is one thing in all these prosecutions that I believe is clear from the evidence which was adduced. That is, that whatever the merits or demerits of the accounting system that were in question in those prosecutions, the conditions which were revealed at Petawawa according to the evidence in those prosecutions were not attributable to the systems but to the human frailties of those who occupied senior positions in the works company at that camp. I am given to understand by those who prepared the cases for trial that it became quite apparent that those

men who were convicted had determined that they would use their positions to further their personal ends, and that they were able to do so not so much because of the system being inadequate as because they had determined to circumvent the system, and to falsify the records in some cases.

Everyone knows that in any large undertaking where responsibility, as a matter of necessity, must be delegated to a great many persons, unless you can rely upon the honesty of those who are in the higher positions no system, however well it may be designed, will prevent misappropriations. It is to be noted in this connection that no shortages have occurred since these men have been removed. According to the Currie report itself, no shortages have occurred in other camps where honest men are in control, even under the same accounting system. I am sure, therefore, that where defaults have occurred through these human frailties of trusted employees it behooves all of us, in fairness to those who are naturally affected by the Currie report, to withhold judgment on whether the system was entirely bad until there has been an opportunity of having this matter brought before the committee on defence expenditures, and in this way hearing all the relevant facts concerning the whole matter.

My purpose in intervening in this debate, sir, is to examine and discuss certain statements made by a number of opposition speakers, particularly of the official opposition and notably the Leader of the Opposition (Mr. Drew), to the effect that this government has been imposing unduly high taxes upon the Canadian people. In the welter of broad statements and generalities, most of which do not even glitter, I suggest that the best way, and indeed the only accurate way, in which this question can be satisfactorily determined is to place upon the record the plain facts so the Canadian people may judge, from those facts, whether they have been called upon to carry a heavier load of taxation than that of citizens of comparable countries.

I should like to start out with those facts upon which, in my judgment, the government and the Conservative opposition at least—and perhaps the other opposition parties—seem to be in agreement. I think we agree that, by and large, government expenditures, no matter how wise and proper they are, must be paid for by taxation. Therefore the main factors in determining the amount of taxes which Canadians have to pay are Canadian policies which involve the expenditure of money. Are the government and the official opposition agreed upon those policies involving the expenditure of money? If we can take at their face value the statements made by the members of the official opposition, I think the answer to that question is yes.

Let me illustrate this point by quoting from the words of the Leader of the Opposition himself as set out in his interesting and useful speech at the beginning of this debate, which may be found at pages 20 and 21 of *Hansard*. To begin with he agreed—and I think this is true of every member of the opposition and of every member of all parties—with the wisdom of Canada's foreign policy and the need for military preparedness which is an integral part of that policy. The Leader of the Opposition made this abundantly clear in language which I think we would all endorse. I will not go into the details of everything he said, but he clinched the point when he said:

> Canadians are I am sure all ready to pay the taxes that are really necessary to defend our freedom.

There seems no doubt, therefore, that the opposition fully supports the military preparedness program of the government and any expenditures and taxes which are really necessary to carry it out.

Mr. Fleming: Not the Petawawa kind. Don't include them.

Mr. Garson: I can see that my hon. friend is getting impatient.

Mr. Fleming: What about horses?

Mr. Garson: I hasten to make it clear that it is not at all inconsistent with their position in this regard that they should be entitled to criticize the government in respect of what they may regard as carelessness and extravagance in the carrying out of that policy.

Mr. Macdonnell (Greenwood): That is mighty decent of the minister.

Mr. Garson: At another point in his remarks the Leader of the Opposition also made it quite clear that the opposition fully supports the entire social welfare program of the government. This is what he said as reported at page 21 of *Hansard*:

> No one is suggesting the cutting down of social services. They are part of the social development of this country. Every party has supported them.

Our military preparedness program and our social welfare program are two major items in our budget and account for no less than $3·1 billion out of a total budget of $4·3 billion. The balance of our budget is made up of two other major items, namely the carrying charges upon our public debt and the ordinary expenses of government, in the old sense, which in these modern days

account for only about 15 per cent of the total budget. Hence, even if we were to cut the general expenses of government even to the point where we would seriously interfere with its administration, it would still represent but a small proportion of the total budget.

Let me clear up another point. The government does not admit that there has been large-scale carelessness and extravagance; but we entirely agree that the government's administration of all of the affairs of the country should at all times be carried on in an economical and prudent manner and that any carelessness and extravagance which is disclosed should be eliminated at the earliest possible moment.

Mr. Fleming: Along with the government.

Mr. Garson: That is the policy the government has consistently tried to follow. In this connection, Mr. Speaker, I think it is highly significant indeed that the opposition members, who have from time to time argued that large economies are possible and that they could be made in this country, have never once during any time I have been in this chamber moved to reduce a single item of the government's estimates.

Mr. Ross (Souris): Yes, they have.

Mr. Garson: If such huge savings as they indicate were possible, it is hard to understand why it has not been possible for them to move a reduction of some small item in the total estimates.

Mr. Ross (Souris): They have moved a reduction.

Mr. Fleming: They certainly have, but apparently the minister was not here.

Mr. Garson: No. My hon. friend is quite wrong. They have not. The hon. member for Moose Jaw (Mr. Thatcher) has done so on two or three occasions; but none of the other members would take the responsibility—

Mr. Fleming: On a question of privilege, Mr. Speaker, may I say that the minister is quite wrong. I made such a motion two years ago and the minister voted against it.

Mr. Fulton: Mr. Speaker, I can rise and bear the same witness. I made such a motion three years ago and the minister voted against it.

Mr. Garson: Mr. Speaker, I accept my hon. friends' corrections and point out that it is two years since one moved such a motion and three years since the other moved one, and they have not moved any since then in spite of the fact that they are always arguing that there are millions of dollars to be saved.

Mr. Ross (Souris): A moment ago the minister said that nobody had made a motion to reduce an item in the estimates.

Mr. Fulton: The reason more such motions have not been made is that they are regarded as motions of non-confidence, and the minister and his party vote against them. So what is the use of making them?

Mr. Fleming: Majority rule.

Mr. Garson: Every reasonable member in this house knows that, at the best, the savings in respect of careful administration are small indeed in comparison with the savings that can be effected under the heading of the substantive policies. For example, if we were able to conclude an armistice in Korea, and if the situation in western Europe improved to a great extent and we were able to substantially cut our military preparedness program, everyone knows that that cut would result in much greater economies than all possible administrative savings that could be made. And if we were all willing—but we are not—to eliminate some of the present items in our social welfare program, that action would also represent a large saving. But it is significant that in these fields of policy where the large economies could be effected, I think it is safe to say that every opposition party is in complete agreement with the government. In the light of these facts it does seem inconsistent—and I shall not use any stronger word—that the Leader of the Opposition, in his speech in this debate, should argue that the government still continues not only to impose extremely heavy taxation but to overtax the people far above the amount actually authorized by parliament.

Mr. Fulton: Hear, hear.

Some hon. Members: Hear, hear.

Mr. Garson: My friend the hon. member for Kamloops (Mr. Fulton) says "hear, hear".

Mr. Ross (Souris): And others.

Mr. Fulton: $3,350 million last year.

Mr. Garson: Mr. Speaker, he says "Hear, hear" to a statement which is wrong on the face of it—

Mr. Fulton: $700 million last year.

Mr. Garson: —because he knows quite well that the taxes which are imposed in this country are all authorized by statutes passed by this parliament. It is true that the amount of business that is done, the volume of investment and the amount of economic activity

may produce from given rates of taxation a better return than was anticipated. To distort that fact into the statement that that is unauthorized overtaxation is an interpretation which cannot be supported.

In this same connection, if we were to examine, in the same factious spirit, the record of my hon. friend the Leader of the Opposition, when he was premier of Ontario, in respect of this same species of overtaxation that he is urging against this government, we would find—and for my own part I would say to his credit—that during that time he was able to show very substantial surpluses from year to year through the same type of overtaxation he is now attributing to another sound financier, the Minister of Finance (Mr. Abbott).

This brings me to the second point of the official opposition, and really the central point to this whole question, namely whether the taxation which is imposed upon Canadians at the present time, measured by any fair standard of comparison, is an extremely heavy burden. In this connection, as I said at the outset of my remarks, in the consideration of a matter of this sort there is actually no substitute for facts and figures. Either these contentions of the opposition are true or they are not, and the only way to prove or disprove them is to bring forward the facts and figures. That is what I now propose to do.

First of all I should like to present certain comparative figures in relation to the tax burden of Canada and of certain other countries of the British commonwealth. I suggest that the countries which are most comparable to our own are the free English-speaking countries of the United States, the United Kingdom, Australia and New Zealand. In order to avoid the charge that I am selecting from the whole body of taxation for comparison certain taxes which are not a fair sample of the whole picture, I should like to begin with to make the test, which I think is by far the fairest over-all test which can be made, by examining what percentage of the gross national product is taken by all the taxes of this country, federal, provincial and municipal, no matter what they may be, and comparing them with all of the taxes which are taken in these other countries from the taxpayers thereof.

Here are the results, based upon the figures for the year 1951. Taxes as a percentage of the gross national product: The United States, as one would expect from a more populous, economically mature and wealthy country, having a very large production and a large gross national product, is the lowest, 23·2. Canada, a much smaller, less populous and less developed country is just a fraction of 1 per cent more, 23·7; Australia is 25·8; New Zealand is 27·8 and the United Kingdom is 32·7. Canada has a substantially lower over-all tax burden, federal, provincial and municipal, as a percentage of the total gross national production than any of the other British countries I have named.

Next, I should like to compare the rates in these countries in respect of certain specific taxes, so that we shall examine how they apply to John Doe, the ordinary citizen. The example I have taken is that of a married man with no dependents. It is the fact that in Canada we have much more generous family allowances than in those other comparable countries. Therefore if one were to take the case of a man with dependents perhaps hon. members across the way who are now shaking their heads at the point I have not yet started to make would argue, "Oh, well, you have taken what is not a fair sample". I should like therefore to table five comparisons between these countries I have named. If hon. members are agreeable perhaps it would be a good idea to place them on *Hansard*. They show a comparison of the pre-war taxes on personal income; a comparison of the wartime peak taxes on personal income; a comparison of the post-war low, that is the lowest point which the taxes on personal incomes reached after the war; a comparison of the post-Korea high after Korea was invaded, that is the taxes that had to be imposed in all these free countries in order to meet the costs of this military preparedness program, at what was the highest point which these taxes reached in all these countries after the Korean aggression. Finally I think it would be most interesting to all of us to have a comparison of the present taxes on personal income in these countries.

Mr. Fulton: Where did the minister get these figures?

Mr. Garson: These figures were prepared by the tax branch of the Department of Finance.

Mr. Fulton: Your new department?

Mr. Garson: No.

Mr. Speaker: Order. Did I understand that the tables are to appear in *Hansard?*

Mr. Garson: Yes.

Mr. Fulton: No; read them.

Mr. Garson: I shall be making more allusions to them than perhaps my hon. friend would want to listen to.

Some hon. Members: Read them.

Mr. Gauthier (Portneuf): Very funny.

Mr. Garson: I understand, Mr. Speaker, the rule of the house is that one may not read

from a document of this sort unless he tables it, and I am complying with the rules of the house.

Mr. Fulton: On a point of order, there is a contrary rule to be observed which is that an hon. member may not table such a document unless he reads it, unless he has the unanimous consent of the house.

Mr. Laing: Let us get unanimous consent.

Mr. Fulton: On the other hand, he cannot table it unless he reads it, and he cannot read it unless he tables it.

Mr. Gauthier (Portneuf): Very funny.

Mr. Fulton: I am glad the hon. member for Portneuf is amused.

Mr. Gauthier (Portneuf): Why don't you sit down and let the minister carry on?

Mr. Speaker: Order. What I should like to know is this. Does the house wish that these tables should appear in *Hansard?*

Some hon. Members: Agreed.

Mr. Fulton: My only point in rising was to point out that the minister could not table these except by unanimous consent; and although the hon. member for Portneuf is very interested in them, nevertheless I will not insist upon the minister reading them.

Mr. Gauthier (Portneuf): Very funny.

Mr. Speaker: I understand they are to appear in *Hansard.*

Some hon. Members: Agreed.

Mr. Garson: The tables are as follows:

TABLE 1.

COMPARISON PRE-WAR TAXES ON PERSONAL INCOMES

——	Canada	U.S.A.	U.K.	Australia	N.Z.
	$	$	$ (£=$4.00)	$	$
Exemptions and deductions—					
Single status	1,000	1,000	400	not available	not available
Married status	2,000	2,500	720	"	"
Dependent child	400	400	200	"	"
Tax payable by married taxpayer no dependents for following incomes—					
$ 1,000	.....	.....	7		
1,500	.....	.....	x		
2,000	.....	.....	139		
2,500	18	.....	x		
3,000	36	8	x	not available	not available
5,000	144	80	799		
10,000	655	415	2,234		
20,000	2,835	x	6,277		
100,000	39,022	32,469	54,922		

TABLE 2.

COMPARISON WAR-TIME PEAK TAXES ON PERSONAL INCOMES

	Canada	U.S.A.	U.K.	Australia	N.Z.
	$	$	$ (£=$4.00)	$ (£=$3.58)	$ (£=$3.59)
Exemptions and Deductions—		(a)			
Single status	660	500	320	376	718
Married status	1,200	1,000	560	400	897
Dependent child	Tax Credit $28–$80	500	200	x	179
Tax payable by married taxpayer no dependents for following incomes—					
$ 1,000	.....	15	49 (61)	102	92 (50)
1,500	100 (100)	130	185 (94)	281	218 (75)
2,000	231 (200)	245	378 (127)	473	253 (100)
2,500	401 (250)	360	586 (143)	678	501 (125)
3,000	584 (300)	475	795 (160)	959	661 (150)
5,000	1,378 (500)	975	1,628 (227)	1,860	1,418 (250)
10,000	3,762 (1,000)	2,585	4,245 (260)	5,475	4,118 (500)
20,000	10,279 (1,000)	7,315	10,970 (260)	14,520	12,352 (1,000)
100,000	77,987 (1,000)	69,435	83,820 (260)	x	82,355 (5,000)

The figures in brackets for Canada and U.K. are refundable amounts payable in addition to the income taxes shown. For New Zealand they are social services tax payable in addition to amounts shown.

(a) Exemptions shown are for surtax only. The exemption for normal tax was only $500 for all taxpayers.

TABLE 3.

COMPARISON POST-WAR-LOW TAXES ON PERSONAL INCOMES

	Canada	U.S.A.	U.K.	Australia *(b)*	N.Z.
	1950	1949	1952	1952-53	1951-52
	$	$	$ (£=$2.75)	$ (£=$2.15)	$ (£=$2.87)
Exemptions and deductions—					
Single status	1,000	600	330	224	574
Married status	2,000	1,200	578	447	861
Dependent child	400	600	234	168	144
F.A. child	150	.....	234	168	144
Tax payable by married taxpayer no dependents for following incomes—					
$ 1,000	.....	.....	30	39	.. (75)
1,500	.....	15	128	109	51 (112)
2,000	.....	100	264	206	137 (150)
2,500	75	174	436	324	236 (187)
3,000	150	249	621	464	346 (225)
5,000	510	548	1,360	1,213	930 (375)
10,000	1,660	1,400	4,134*(a)*	3,873	3,242 (750)
20,000	5,510	3,948	11,209*(a)*	10,823	9,779 (1,500)
100,000	53,064	45,769	86,321*(a)*	79,794	62,579 (7,500)

Amounts in brackets for New Zealand are social services taxes payable in addition to income tax shown.

(a) These are the taxes payable in 1950 (£=$2.90) when rates for these incomes were lower than in 1952.

(b) Income tax and social services contribution combined.

TABLE 4.

COMPARISON HIGH POINT OF POST-KOREA TAXES ON PERSONAL INCOMES

——	Canada	U.S.A.	U.K.	Australia	N.Z.
	$	$	1951 $ (£=$2.98)	1951–52 $ (£=$2.35)	1950–51 $ (£=$2.90)
Exemptions and deductions					
Single status	1,000	600	328	244	580
Married status	2,000	1,200	566	489	870
Dependent child	400	600	209	183	145
F.A. Child	150	.....	209	183	145
Tax payable by married taxpayer no dependents for following incomes					
$ 1,000	.....	.....	46	36	(75)
1,500	.....	33	156	107	67 (112)
2,000	.....	133	323	205	157 (150)
2,500	88 (5)	233	513	325	260 (188)
3,000	175 (10)	333	703	468	375 (225)
5,000	596 (30)	733	1,463	1,237	984 (375)
10,000	1,946 (30)	1,823	4,290 *(a)*	4,030	3,382 (750)
20,000	6,431 (30)	5,076	11,728 *(a)*	11,512	10,206 (1,500)
100,000	61,220 (30)	56,182	88,072 *(a)*	77,443	65,406 (7,500)

Amounts in brackets for Canada and N.Z. are old age security taxes and social services taxes respectively payable in addition to income taxes shown.

(a) These are the taxes payable in 1952 (£=$2.75) when rates on these incomes were higher than in 1951.

TABLE 5.

COMPARISON PRESENT TAXES ON PERSONAL INCOMES

——	Canada	U.S.A.	U.K.	Australia	N.Z.
	1952	1952	1952	1952-53	1951-52
	$	$	$ (£=$2.75)	$ (£=$2.15)	$ (£=$2.87)
Exemptions and deductions—					
Single status	1,000	600	330	224	574
Married status	2,000	1,200	578	447	861
Dep't. child	400	600	234	168	144
F.A. child	150	.....	234	168	144
Tax payable by married taxpayer no dependents for following incomes—					
$ 1,000	.....	.....	30	39	.. (75)
1,500	.....	33	128	109	51 (112)
2,000	.....	133	264	206	137 (150)
2,500	88 (5)	233	436	324	236 (187)
3,000	175(10)	333	621	464	346 (225)
5,000	596(30)	733	1,360	1,213	930 (375)
10,000	1,946(30)	1,823	4,290	3,873	3,242 (750)
20,000	6,431(30)	5,076	11,728	10,823	9,779(1,500)
100,000	61,220(30)	56,182	88,072	70,794	62,579(7,500)

Amounts in brackets for Canada and New Zealand are old age security taxes and social services taxes respectively, payable in addition to income taxes shown.

I should like to say in relation to these tables, in order to be fair with all members, that the changes in the exchange rates of the various currencies which are involved, all of which have been noted in the tables, make some comparisons difficult, and may sometimes unavoidably distort the true picture to some extent, but these distortions do not affect the validity of the use to which I propose to put these figures, nor the conclusions which I am going to ask hon. members to draw from them.

Mr. Speaker, what do these figures show? Well, the first point that stands out in all these tables is that personal exemptions in Canada are much higher than those in any of these other countries. This means that the great mass of Canadians in the low income brackets bear a much smaller rate of income tax than do the mass of citizens in any of the other countries named, and particularly those citizens in the low income brackets in countries like New Zealand and the United Kingdom, where Labour party social welfare and other policies have been the major factor in determining the tax patterns which the present governments of those countries have inherited from their Labour predecessors. Even Labour governments cannot solve the financial problem of paying for heavy welfare costs by soaking the rich. Unhappily, there are not enough rich to soak, to begin with; and when they are too heavily soaked they cease to be rich.

Next they show that during the wartime peak, Canadian taxes were the lowest of all these countries on incomes up to $2,000 a year. Above $2,000 a year Canada's income taxes were somewhat higher than those of the United States, but they were appreciably lower than those of the United Kingdom, Australia or New Zealand throughout the whole range of incomes.

Now, what about the post-war low, when the war was over and taxes went down or were reduced in all these countries? How does the Canadian post-war low compare? The Canadian post-war low tax upon a married taxpayer with no dependents was the lowest of all of these countries on incomes up to $5,000. On incomes above that level Canada's taxes were higher than those of the United States but considerably lower than those of the United Kingdom, Australia and New Zealand.

Well then, after our taxes had been reduced in all these countries, and we were making a good recovery when the war was over, Korea occurred. Then all these countries had to impose taxation in order to defend freedom and to meet the threat of aggression. And at the high point of the post-Korea period, Canada's personal income taxes were the lowest of any of these countries on incomes up to $5,000. Above that level they were somewhat higher than those of the United States, but much lower than those of all the other countries named.

Now, most important of all, what about present taxes, the taxes which we are told by all members of the opposition are such an inordinate burden upon the Canadian people? At the present time, of all these countries I have named, Canada's taxes are lowest on all incomes up to $5,000. Above that level they are much lower than all the other countries except the United States. In other words, at all these periods the burden of Canadian taxes compares very favourably indeed with that of other comparable countries in the English-speaking world.

Inasmuch as the present taxes are those which are being particularly urged as excessive, I think perhaps some hon. members might find it instructive if I were to put on the record in some detail what they amount to. The exemptions and deductions for a single person in 1952 are as follows:

Canada	$1,000
The United States	600
The United Kingdom	330
Australia	224
New Zealand	574

Canada provides by far the largest exemption of all. This means that the great mass of the Canadian people, those in the low income brackets, are freer from the income tax burden than the people in these other countries. Then I shall give the exemptions for the married man with no dependents:

Canada	$2,000
The United States	1,200
New Zealand	861
United Kingdom	578
Australia	447

Canada again provides by far the largest exemption.

Mr. Adamson: Yes, but the United States exemption is divided; the wife gets $1,200 and the husband gets $1,200, making $2,400 in all.

Mr. Garson: I am coming to that.

Mr. Lesage: They get only $600 each.

Mr. Adamson: I know about this, because I have many friends in the United States.

Mr. Cruickshank: You are $1,200 out.

Mr. Garson: Then for a dependent child Canada allows $400—

Mr. Fulton: What about the family allowance?

Mr. Speaker: I think the hon. member in giving these figures should be allowed to proceed without interruption.

Mr. Adamson: I regret having made the interruption and I apologize through you, Mr. Speaker, for it.

Mr. Lesage: Especially since you were wrong.

Mr. Speaker: I was not referring particularly to the hon. member for York West (Mr. Adamson).

Mr. Adamson: I try not to interrupt, Mr. Speaker.

Mr. Garson: In relation to the point raised by the hon. member who has so graciously just taken his seat, I wish to enter a provision which has been specified by the tax experts, when they state that because of credits for earned income and minimum amounts subject to taxation in the United Kingdom, and a tax rebate in New Zealand, the effective exemptions in these two countries may be somewhat higher than the amounts I have indicated. But the difference is not sufficient to alter the comparison to any significant extent.

What is significant in this connection is that Canada's family allowance, itself, is substantially higher than that of any of the other countries. And of course in the United States they have no family allowances at all.

Mr. Adamson: No, but they have social security.

Mr. Sinclair: When they are 65.

Mr. Garson: But let us leave family allowances out of the picture, and compare the tax payable by a married taxpayer, with no dependents, on an income of $1,000. These are the figures:

Canada	No tax
The United States	No tax
The United Kingdom	$30
Australia	39
New Zealand	75

Then let us go the $2,000 level. These are the figures:

Canada	No tax
The United States	$133
The United Kingdom	264
Australia	206
New Zealand	287

I would ask my hon. friends of the C.C.F. particularly to look at these figures for the $2,000 level, where the tax in the United Kingdom is $264, in New Zealand $287, while in Canada there is no tax.

Mr. Knowles: Is there not a Conservative government in power over there now?

Mr. Garson: Yes, but this is part of its inheritance.

Mr. Bryce: These are the latest figures, I suppose.

[Mr. Speaker.]

Mr. Garson: Then to go rapidly over these figures—

Mr. Adamson: Oh, no; that would be a great mistake.

Mr. Garson: At the $3,000 income level the tax is as follows:

Canada	$185
The United States	333
The United Kingdom	621
Australia	464
New Zealand	571

Then these are the figures for the $5,000 level:

Canada	$ 626
The United States	733
The United Kingdom	1,360
Australia	1,213
New Zealand	1,305

Then when we get up to the $10,000 level in Canada, because we take the good advice lavished upon us by hon. members of the C.C.F., but which their own fellow socialists in other countries where they are in power do not take, for the first time our taxes begin to be higher than those of the United States. These are the figures:

Canada	$1,976
The United States	1,823
The United Kingdom	4,290
Australia	3,873
New Zealand	3,992

Perhaps I had better put all the figures on the record. The remainder are as follows, starting with the $20,000 level:

Canada	$6,461
United States	5,076
United Kingdom	11,728
Australia	10,823
New Zealand	11,279

And then for the $100,000 tax level:

Canada	$61,250
United States	56,182
United Kingdom	88,072
Australia	70,794
New Zealand	70,079

The figures given in the table indicate the income taxes plus social security taxes that are collected in New Zealand, Australia, Canada and the United Kingdom. In the case of the United Kingdom the figures are translated from pounds into dollars at the proper rate of $2.70 per pound, not at the old rate; in the case of Australia, at the rate of $2.15 per pound; and in the case of New Zealand, at the rate of $2.87 per pound. This sample shows that the income tax, one of the most typical taxes and the tax upon which hon. members of the official opposition have lavished their greatest criticism, is not only lower in Canada but in low income brackets is substantially lower than in the case of all these other countries.

Mr. Fleming: Will the minister permit a question?

Mr. Garson: I shall be glad if my hon. friend will save it and I will answer his question when I am finished. It is rather hard to keep this material in consecutive order.

To add a little bit of perspective, a married man in Canada without dependents and with an income of $5,000 now pays in income tax only about half what he paid at the wartime peak in 1945. Do we hear hon. members of the loyal opposition tell us about that fact? Here is another important fact. What has happened to the disposable income of Canadians? By disposable income I mean the personal income after direct income taxes have been paid.

Mr. Fulton: What you mean is what Abbott leaves them.

Mr. Garson: If my hon. friend wants to put it in that uncharitable way, all right. It is the same rose; no matter whether he adorns it with a thorn it still smells sweet. The per capita disposable income in Canada—I will not reply to my hon. friend in kind by referring to what it was in Mr. Bennett's time —for 1939 was $373; in 1951 it was $1,057. That is to say, in 1951 it was two and four-fifths times as great as it was in 1939.

Mr. Adamson: In 48-cent dollars as compared to 1939.

Mr. Garson: My hon. friend is very astute. He answers every point. As I move toward the beginning of the point he interrupts me.

Mr. Adamson: I know the figures.

Mr. Garson: Of course the increase in real income was not as striking because there were price increases during that period. But let my hon. friend listen to this. After allowing for those price increases, the average per capita income of a Canadian would purchase about 50 per cent more in goods and services in 1951 than in 1939. What is more significant about all this to those who make a fuss about our resale price maintenance legislation is that it is at least three per cent more in 1951 than in 1950.

Mr. Adamson: Bravo.

Mr. Fleming: Resale price maintenance has absolutely nothing to do with it.

Mr. Garson: My hon. friend is entitled to his opinion for what it is worth, which in my view is not very much.

Mr. Fulton: How about loss leaders?

Mr. Garson: I would point out that this substantial rise in real income took place in a period when personal income taxes in this country had to be greatly expanded, through no choice of ours, in order to take care of defence costs. We absorbed all that, raised the real income and in addition greatly increased our social welfare services. This is clear proof that we have surmounted all the economic obstacles and have grappled with very seriously, if not overcome, most of the economic problems to accomplish these things, and all on the basis of a tax level that by fair standards of comparison with comparable countries is very favourable indeed.

Moreover there is every indication of a further substantial increase between 1951 and 1952. For example, the total wages and salaries, which is a large component of personal income comprising upon the average more than 60 per cent, was 12 per cent higher for the first eight months of 1952 than for the comparable period of 1951. During the first nine months of 1952 the total value of retail sales exceeded by 6·6 per cent the total of the comparable period in 1951.

Then in reply to the statement by the Leader of the Opposition that the vast tax burden of the government is impoverishing the Canadian people, let me give the house some figures which I received just a few days ago, as prepared by one of the most eminent Canadian economists.

Mr. Adamson: Gilbert Jackson. I know those figures.

Mr. Garson: I expect to get another loud cheer from my hon. friend when I say this is from the *Globe and Mail.*

Mr. Adamson: I know, published by Gilbert Jackson in the *Globe and Mail.* I worked on those figures.

Mr. Garson: My hon. friend absorbs all these figures into his system but he will not take any cognizance of them when he comes to judge the record of the government.

Mr. Adamson: Oh, but I do. That is exactly what I do. I judge the government by the figures that have been quoted.

Mr. Garson: This article is headed:

Did you know Canadians in 1951 actually saved nearly 13 times as much as Britons did in relation to disposable income? Here's why.

The article continues:

It is not because Britons are any less able to save than Canadians if given the incentive and the opportunity to do so. Those tables show, however, that the previous government took in direct taxes and in direct social security taxes a far greater proportion than is deducted by governments in Canada. The disposable income in Britain leaves less than in Canada, therefore, to spend on goods and services and to save—

Is my hon. friend still cheering?

Mr. Adamson: Yes.

Mr. Garson: Life insurance in force per capita in Canada in 1939 was $625; in 1951 it

was $1,279. Savings bank deposits per capita in 1939 were $150.79; in 1951, $327.85. I suggest that the only base upon which our hon. friends are able to argue—I must say that having a very poor case they make a good fist of it indeed—is that although we impose in this country rates of taxation which compare very favourably with other comparable countries, the economic results of government policies in Canada and of the great amount of effort put forward by the Canadian people are so favourable that these tax rates, applied to the national income of the country, produce the surpluses of which my hon. friends complain. They not only have done that but they have enabled Canadians in the period since the war to invest in this country about $16 billion of money in all sorts of additions to Canada's productive capacity. I suggest, Mr. Speaker, that one of the main reasons these investments, to the extent of about 85 per cent I believe, are made by Canadians, and the balance by outsiders investing their money in Canada, are the very surpluses and reduction of debt concerning which certain opposition members are always complaining.

Mr. Macdonnell (Greenwood): We only complain because you blunder into them.

Mr. Garson: Oh, you do not complain because they exist, but merely because we did not do it in the proper way?

Mr. Macdonnell (Greenwood): Because you do not know anything about what you are doing.

Mr. Garson: Oh, I see. Of course Mr. Bennett knew what he was doing. He was blasting his way into the markets of the world.

An hon. Member: You bet he did.

Mr. Garson: Judging by results there is great advantage in knowing what you are doing.

Mr. McGregor: And he got results.

Mr. Fulton: As a matter of fact it is not the surpluses about which we complain; it is the high taxes.

An hon. Member: Now you are switching.

Mr. Garson: I have been attempting to show my hon. friend that the tax rate is not high judging by any fair standard.

Mr. Fulton: It is $700 million more than you need.

Mr. Garson: I suggest, Mr. Speaker, that perhaps the most important reason why the men who put these $16 billion of investments into Canada did so is that they had confidence, not necessarily in the government but in the steadiness and reliability of the Canadian people, because they had seen the Canadian people over quite a period of time now—too long, I know for our friends in the opposition—

Mr. Fleming: Hear, hear.

Mr. Garson: —steadily support a courageous and honest government financial policy which, by keeping our budget in balance and reducing our national debt, thereby guaranteed the safety not only of this new $16 billion worth of investments but of all the existing investments and properties of the Canadian people as well. If we had not followed this policy, does any reasonable man suppose there would have been that confidence in this country, in our dollar, in our prospects and the like, that would have brought about this amount of investment? Perhaps some of these investments would have been made. But I suggest that the majority would not, for the simple reason that not one of us in this chamber would want to take his own money and invest it in a country in which even in good times the government was going perennially into debt year after year without making any attempt to properly balance its budget. These investments constitute by far the largest single increase in Canada's productive capacity that has ever taken place in our history.

Mr. Fulton: The government is floundering.

Mr. Garson: For that reason they are enormously important to every single Canadian. The hard fact is that all our wages, our pensions, our social welfare benefits, all the arms that protect our liberty and the whole of our standard of living come from one source only, the production of goods and services by Canadians. They come from that source not only for us but for our children and for our grandchildren. Therefore anything that, to the extent of $16 billion of investment, increases that production benefits every Canadian, the big shots and the little shots alike. Whatever my share of this total national production may be, I am bound to benefit if the national production is increased.

All this has been done, may I suggest to my hon. friends, especially to the official opposition and particularly to the financial critic of that party, at no real cost to our present standard of living. Let me quote a question which was asked in that great Conservative paper, the Winnipeg *Tribune*, by a highly intelligent correspondent who, as it happens, is a professor of economics at the University of Manitoba.

Mr. Fleming: What is his name?

Mr. Garson: Professor Barber. He said:

Would you agree that the $2 billion surplus which the dominion government has managed to build up over the past five years has not meant the loss of an equivalent amount of goods to the Canadian people? In fact, even if the dominion government had reduced taxes during this period by $2 billion and thus wiped out its surplus entirely, there would not have been one more car, house or suit of clothes available to the Canadian people.

Accordingly, if it is possible to reduce the national debt without in any way reducing the real income or real welfare of the Canadian people, why is this such an undesirable policy?

It is no wonder then, Mr. Speaker, that, except for a small minority of Canadians who hope to pick up a few votes by misrepresenting the achievements of their own country, there is a very clear understanding today amongst all competent judges throughout the whole world that the Canadian people since the war have done an absolutely magnificent job of handling their economy.

Mr. Fleming: The people, but not the government.

Mr. Garson: Obviously the greatest part of the credit for this achievement must go where it belongs, to the Canadian people and producers; but it is also a fact that none of the sophistries of my hon. friends can disprove that if government policies had not been as courageous and realistic—

Mr. Fleming: And extravagant.

Mr. Garson: —and aggressive and successful—

Mr. Hees: And wasteful.

Mr. Fraser: Wasteful and extravagant.

Mr. Garson: —we would have never had these results. To indicate that this is the view not of myself only, as a very interested person, I must confess—

Mr. Fulton: Of the people who wrote your speech.

Mr. Garson: —but is the opinion of highly competent and completely disinterested judges, I should like to quote from only two sources, one of which I think has been quoted before, but it cannot be quoted too often. The first one is taken from the *Economist* of July 5, 1952, certainly the greatest economic journal in the English language, and reads as follows:

No boom was ever painless, but the Canadian boom perhaps comes nearest to earning that distinction . . . It has found, in the short space of two or three years, a degree of self-confidence that is the proper mark of a country entering upon the early stages of economic maturity. Already occupied with a load of work that less vigorous countries might stretch over a generation, Canada has the faith, and professes to have the capacity, to proceed with the gigantic St. Lawrence seaway scheme and to disregard Washington's refusal to participate. It would certainly be unwise to reach the conclusion that too much is being attempted too quickly. It is true that the defence program has yet to make its full impact on the Canadian economy.

Mr. Fulton: It is making it on the Canadian political scene though.

Mr. Garson: I continue:

But the rise in both industrial and agricultural productivity since the war has been so astonishing that Canada may well be able to provide—

Listen to this from a responsible economic journal.

—guns, factories and butter all at the same time.

I have deliberately left out of that quotation the three most significant sentences in it which in my submission are the key to all of these results. These sentences are as follows:

Canada is not merely favoured with abundant material resources. It has had the good sense—or the good luck—to provide itself with good government.

Some hon. Members: Hurrah.

Mr. Fleming: It is obvious the writer does not live in this country.

Mr. Garson: My hon. friend said it is obvious the writer does not live in this country. I suggest that as an authority upon Canadian economic matters the gentleman whom I have been quoting will compare very favourably with my hon. friend. I continue to quote:

Its economic affairs have been handled with a skill unexampled throughout the world.

Mr. Fleming: That shows how little he knows about Canada.

Mr. Garson: Let us look at another journal, a conservative journal—not spelled with a capital "C"—in the United States. The following appeared in the month of August, 1952.

Mr. Fleming: What paper is this?

Mr. Garson: It is from *Fortune,* and the quotation is as follows:

Canada's progress during the past dozen years is one of the economic marvels of the age. Thanks to an extraordinarily high and well distributed volume of investment, public and private, she has undergone an all-around development not matched even by that of the United States.

Now, sir, the policies of this government, as these quotations indicate—there are many more of them, as I am sure even my hon. friends of the opposition know and I think in private conversation at any rate would be prepared to admit—are admired by responsible economists and journalists in other countries, because I believe they realize that the implementation of these policies has required political courage, honesty and true

devotion to the long-run interests of Canada and of the free world. Since the war—and this is the central theme of my remarks—Canada's great national achievements and defence have been financed by tax rates upon the Canadian people which do compare very favourably indeed with those of other comparable English-speaking countries.

Mr. Graydon: I did not want to interrupt the minister while he was speaking, Mr. Speaker, but I wanted to ask him one question. Is the speech which he has just delivered on finance meant to hail some major change in government portfolios in the near future?

Mr. Adamson: There is only one observation I wish to make, and that is that he neglected the sales tax—

Some hon. Members: Order.

Mr. Adamson: —and the income tax.

Mr. Fleming: The minister was good enough to say he would answer questions, Mr. Speaker, when he had finished his speech. I put this to him seriously. Did he consult the Minister of Finance before he made this speech tonight in which he has entered such a strong defence of the government's policy of extortionate overtaxation and opposing any tax reductions in the next budget?

Mr. Garson: The hon. member for Eglinton (Mr. Fleming) is such an amiable gentleman, Mr. Speaker, that I always like to accommodate him with an answer if I can. Much of the material that I have used tonight was supplied by the Minister of Finance (Mr. Abbott) before he had to leave for the economic conference. I am only sorry that I have not done it as great justice as the Minister of Finance would have done if he had been here.

Mr. John Decore (Vegreville): Actually, Mr. Speaker, I had not intended to participate in this debate again, but in view of some of the statements that have been made by the hon. member for Peace River (Mr. Low) I felt compelled to make some reply. This is especially so, because of the references he made to the Minister of Mines and Technical Surveys (Mr. Prudham). I do this with regret, because I think hon. members in this house are getting fed up with listening, day in and day out, to the type of propaganda that has been dished out by the Social Credit group in dealing with provincial matters. They have even gone so far as to obtain statements from the premier of Alberta to refute a statement made in this house by a cabinet minister.

[Mr. Garson.]

I am sorry the hon. member for Peace River is not in his seat tonight. Among the phrases that have been used with reference to the Minister of Mines and Technical Surveys, as I have them noted, was one to the effect that the people of Alberta made a mistake in sending a man like that to Ottawa. I think Alberta is fortunate in having here a man of the calibre of the Minister of Mines and Technical Surveys, and we respect him for his honesty and his sincerity. The hon. member referred to the minister's statements as being utterly irresponsible; half truths; misrepresentations and distortions, and so on. One could add to those some of the statements the hon. member made in this house quite recently, such as master of smear technique; master of evasion; questionable methods, bandit leaders; stinkers in high places. These are the type of phrases used by a gentleman who is not only the leader of a political party, but who aspires to become the prime minister of Canada.

I notice that some of you are smiling, and some of you are laughing. You may think this is funny, but the leader of the Social Credit party doesn't think so. Let me quote a press report appearing in the Edmonton *Journal* of November 27, 1952. The headline is "Solon Low sees possibility of federal control by Social Credit." The article reads in part:

> Solon E. Low, national leader of the Social Credit party, said Wednesday he would not be surprised if his party controls the Commons at Ottawa after the next federal election.

Farther down the article reads:

> "I do not mean to boast that we will become the government, but I am not ruling out anything", he said. "It is possible".

Then the hon. member goes on to give three reasons why he thinks this party will control the House of Commons or form the government. One of the reasons he cited was the result of the British Columbia election. The second reason was the result of the Alberta election. As to his third reason, I quote from the article:

> "On top of that, Premier Manning made a triumphant tour of eastern Canada—not for political purposes but to do a job in religion". He added: "It has its political implications. It will hold implications for us (the party), I am sure".
>
> He said political writers read into the premier's trip political significance, which was not designed.
>
> "It will have that effect, but that is not what he went east for", he reiterated. "But if a man does a good thing, and it rebounds to the good of the political movement he leads, I am not going to deny it".

The hon. gentleman feels he is probably coming to Ottawa to form the next government. He has made a reference to highways, and has introduced a statement by Premier Manning of Alberta. Let me read to you,

Mr. Speaker, an editorial appearing in the Calgary *Herald* of April 17, 1952. I believe nobody would accuse the Calgary *Herald* of being a Liberal paper. The heading of this editorial is "Millions of dollars for potholes". I shall read the editorial:

> The province of Alberta intends to spend $24,400,000 for highways this year but if the examples of past highway construction are to be the criterion of future development, the money is just being wasted.

You heard what was quoted tonight in the letter from Premier Manning of Alberta. To continue:

> There may be 1,200 miles of paved road in Alberta today, but great chunks of it are no better than plowed fields right now because of the spring thaws. It was only four years ago or so that the new direct route to Cochrane was built. Now there is a section on that main highway which looks like one of the so-called streets in southwest Calgary, a morass of muddy ruts, fit for a tank training ground.
>
> The other entrance highways into Calgary from the south and the north are in terrible shape also. Reports from all over the province indicate severe upheavals on the paved roads, as well as the usual quagmires on the gravelled secondary highways. One expects mud, ruts, bogs and natural corruption on Alberta's unpaved roads during the spring break-up. It is traditional and the province wouldn't be the same without it. But why should the citizens have to put up with these hazards and discomforts on the allegedly "surfaced" roads of this province?

Mr. Johnston: That is a lot of baloney.

An hon. Member: Sit down.

Mr. Decore: It is a matter of opinion.

Mr. Johnston: When people say things like that they should make sure they are true. Anyone who has driven on those roads knows it is a lot of baloney.

Mr. Decore: I am sorry—

Mr. Deputy Speaker: Order. I could not hear what the hon. member was saying.

Mr. Johnston: Mr. Speaker, according to the opinion you expressed a while ago with regard to truthful statements, an hon. member should be sure that the things he is quoting are true. That is only a newspaper report. Anybody who knows the Calgary *Herald* knows they have stretched the truth once in a while, and that is one case.

Mr. Decore: When the hon. member is speaking about truth it reminds me of a line in one of Lord Bacon's essays in which he says "What is truth, said jesting Pilate, and would not wait for an answer."

Mr. Johnston: Maybe the hon. member would not know.

Mr. Decore: I repeat, Mr. Speaker, that I am reading from the editorial as it appears in the Calgary *Herald.*

Mr. Johnston: It is not too reliable.

Mr. Decore: I wish I had with me other editorials which have appeared in the Edmonton *Journal* from which the hon. member has read, and other papers in the province, dealing with our roads in Alberta. I regret that I have to deal with provincial matters because this is not the place to deal with them.

Mr. Johnston: Then why are you doing it?

Mr. Decore: When the hon. member for Peace River (Mr. Low) brings in a statement which he reads into the record, signed by the premier of Alberta, then I think I should read these editorials.

Mr. Quelch: The hon. member should give the date of the editorial.

Mr. Decore: Yes. One is under date of April 17, 1952. I have quoted from that one. There is another one to which I am going to refer and it is under the date of June 27, 1952.

Mr. Johnston: That was just political propaganda.

Mr. Decore: To continue further with this editorial:

> One would have thought that, after years of experience with climatic conditions here and the experiments on soil which have been carried on at the university of Alberta, the highways department would have learned a few lessons in the art of road building. It surely should have realized, as even Alberta cities are beginning to realize, that you can't just roll a bit of pavement on the prairie and expect it to last. It must know that if roads are to last they have to have bases several feet, not several inches, thick.

Hence when the Minister of Mines and Technical Surveys made the statement that the roads in Alberta are just like the Social Credit party, with a fine surface and very little foundation, this editorial bears him out. It continues:

> It should experiment on materials to find the best ones to combat Alberta's continual freezing and thawing weather. It should learn to build wide, solid highways, not long, narrow collapsible ones.
>
> But then, we suppose, the highways department isn't allowed to be interested in building roads, but must make sure that it builds votes instead. It must allocate its expenditures (and therefore establish its specifications) to construct the mostest with the least. It must see that some pavement gets into the good Social Credit constituencies, even if it means skimping elsewhere. Thus the province can expand its mileage while retaining low grade standards.
>
> That sum of $24,400,000 is an awful lot of money to sink in the paved mudholes Alberta is getting. When will the government begin to use these moneys properly and efficiently?

I am also going to quote from another editorial in the same paper. The date of this one is June 27, 1952. The heading is "Is This All We Get for Our Oil Money?" I am not going to take the time of the house to

read all of it, but will content myself with reading the part which is as follows:

As we have said before, we do not think the government is building its major highways to the proper specifications for this country and climate. We only have the word of private road contractors on that, but surely the condition of the roads this spring should be evidence enough.

Then it goes on further to say:

The people of this province are getting pretty fed up with excuses for provincial road-building. Millions for back-fill and nothing for surfacing is no answer to the motorist's prayer. This government is raking in oil revenues at a wonderful rate, but if the debilitated pavement outside Calgary, the washboard surfacing around Waterton and the bogs near Jasper are the best examples of long-term capital expenditures for the future of this province, we'll eat Mr. Taylor's speech.

Mr. Johnston: The Liberals were elected on that kind of material, both of them.

Mr. Decore: Mr. Speaker, as I say it is with considerable regret that I rise and deal with these matters on the floor of this house. I would not mind listening to a lot of this propaganda coming from the Social Credit group if only they were consistent. Referring again to the hon. member for Peace River, may I say that he was one of the first members of the Social Credit group in 1935. That was the time William Aberhart put over one of the biggest frauds ever perpetrated on the people of Alberta when he promised them the sum of $25 a month; that is, he promised that to every citizen in Alberta, whether he worked or not, and he did not have to pay it back, either. That promise was made to the people of the province of Alberta in 1935. The leader of the Social Credit party in this house was one of the instigators of that plan at the time, and the people of the province of Alberta fell for it. Those were depression years. Economic conditions were terrible out west, and many of the people said: We will vote Social Credit regardless, as things couldn't be worse. Eventually, as we have found, they changed their tune. They have changed their tactics. There was no dividend and no payment.

Mr. Quelch: The people have not changed. They still vote Social Credit.

Mr. Decore: Because the people of Alberta thought they were getting a good conservative government. I want to say this. I do not want to compare Conservatives and Social Crediters. I do not want to be disrespectful to the Conservatives because I have a great deal of respect for them, although I disagree with some of their policies. As I say, the Conservative party is one that has had the confidence of the people throughout our history in Canada, and I hope they continue to have the confidence of the people in the future.

Mr. Quelch: As we have in Alberta.

Mr. Decore: Just the other day the hon. member for Lethbridge (Mr. Blackmore) made this statement.

An hon. Member: Where is it to be found?

Mr. Decore: It is reported in *Hansard*. He made a great many statements, but here is one he made as reported at page 550 of *Hansard* of December 11:

Social Credit would, through the monetary commission, issue to consumers consumer purchasing power in such forms and in such amounts as might be found needful to equate consumption with production in the nation's economy. That sounds sensible, does it not?

I wonder. To continue:

It cannot be done without debt-free money. Such issues of consumer purchasing power might fittingly be called national dividends.

In other words we are again going back to that same theory that was propagated in the province of Alberta in 1935. I might point out that since that time some financial experts have come into Alberta. One of them was Mr. Powell. I believe he was sent down by Mr. Douglas, and Mr. Manning was there, too. After he spent some time in Alberta he had to spend the rest of the time in the Alberta jail. After he spent the time in jail he was deported to the old country where he came from. There was still another financial expert who came into Alberta from the old country, Mr. Byrne; and he was fired. The only financial expert I know of right now is the hon. member for Lethbridge. I do not know what will happen to him.

Mr. Blackmore: That is about all you need.

Mr. Decore: I agree with the hon. member. There have been some other new theories developed in Social Credit. The hon. member for Peace River was talking about oil. He said it was fortunate that oil came into the province of Alberta at the time it did. I wonder if he knows how oil did come into the province of Alberta.

Mr. Johnston: Did the Liberals bring it in?

Mr. Decore: I am sorry I have not the date of this newspaper clipping, but the hon. member for Macleod (Mr. Hansell) will recall the date. It was when he spoke at the Calgary Social Credit constituency association, at the bible institute, and this is what he had to say:

Mr. Hansell concluded wtih a reference to the Alberta government's financial position, saying other parties claimed that the province was prosperous because of oil having been discovered.

But, said Mr. Hansell, oil was always there. It was discovered under Social Credit and there might be a reason for that. "Perhaps," he said, "even Providence might have said, 'we are not going to place this wealth into the hands of just anybody'."

References have been made to the Social Credit claiming a monopoly on religion. That is not only a monopoly on religion, but the above statement claims a monopoly on the favours which Providence bestows on a government. We have listened to the hon. member for Lethbridge and the hon. member for Peace River telling us what Social Credit is. I say that if you took all these words used by the hon. member for Peace River such as bandit leader, stinkers in high places, cesspool methods, gutter politics, master of smear technique, master of evasion, tommyrot, and put them together, then, Mr. Speaker, you have Social Credit.

Mr. Roberge: Mr. Speaker, since we have had quite a long and hectic day, may I be permitted to move the adjournment of the debate.

On motion of Mr. Roberge the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Graydon: May I ask the minister what we shall do tomorrow after this debate is finished.

Mr. Fournier (Hull): We are in the hands of the opposition.

On motion of Mr. Fournier (Hull) the house adjourned at 10.55 p.m.

HOUSE OF COMMONS

Wednesday, December 17, 1952

The house met at eleven o'clock.

HOUSE OF COMMONS

MR. POWER—FELICITATIONS ON ANNIVERSARY OF ELECTION TO PARLIAMENT

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I am sure every hon. member of this house would be appreciative if you would allow us to take a few moments at this time to pay a tribute of felicitations and good wishes to the hon. member for Quebec South (Mr. Power). Though to look at him it might be difficult to believe it, it is a fact that today he is starting the 36th year of continuous membership in this house. It is not only because of the length of his membership in the house but much more because of the manner in which he has discharged his responsibilities and duties here that we are all so happy to acclaim him as the dean of this chamber in years and in experience. In paying honour to him, Mr. Speaker, I think that we are honouring ourselves by manifesting our admiration for the manner in which he acts as a member of parliament. We shall also continue to honour ourselves if we walk in his footsteps.

I am not going to attempt this morning even to summarize the hon. gentleman's career, but I wish to say that during the whole decade that preceded his first election to this house on December 17, 1917, he had already won much public acclaim. He was one of that brilliant quartet of Power brothers who spread the fame of the real amateur athletes of Quebec throughout the country by their achievements in the hockey arenas of that time and by their valiant efforts to bring to Quebec as often as possible the great Stanley cup.

We of Quebec were thrilled at his gallant conduct in the armed forces during the first great war and certainly were distressed when we heard that he was wounded overseas twice, once so grievously that he had to be invalided back home. But the admiration in which he was held by his fellow citizens of Quebec soon had an opportunity to manifest itself, because in 1917 there came into being in Quebec city the new constituency of Quebec South of which he has been the distinguished representative here ever since its creation.

There is no doubt, of course, that at that first election he was aided in his campaign by the high esteem in which his family had been held for many years by the people of the city of Quebec; but it was not long before his own personality affirmed itself not only among his constituents and among his fellow members of parliament but throughout the whole Canadian nation; and it has constantly grown as the years of his service to the Canadian public added themselves to each other.

Among the many great services he has rendered to the Canadian nation, perhaps none has been more important or more permanent in its effect upon the Canadian people than the fact that the Irish Chubby Power became the idol of the French-speaking electors of the constituency he has represented in this house. I will not advert to his other great public services; but in his person and in his career is found a demonstration that good men and good women of good will, whatever be their origin or their mother tongue, can work together harmoniously in the great task of building a united new nation on this North American continent. That is something towards which the efforts of our distinguished colleague have been highly effective and will prove of long permanent service to this young nation. I was unfortunately prevented, by circumstances over which I could have no control, from attending the dinner that was tendered to him in our home city last Saturday evening. I understand that on that occasion he said that the first political speech St. Laurent had ever made was for a Power and that the last political speech that Chubby is likely to make would be a speech for St. Laurent. We have long been friends, but my years are somewhat longer than his, and though I trust that as long as it is my good fortune to take any part in public affairs my conduct will be such that Chubby Power will be able to carry out that promise, I do hope for him and for the benefit of his fellow citizens that he may be making political speeches long after it has ceased to be possible for me to take part in public affairs.

(Translation):

While not wanting to repeat what I have already said, I nevertheless wish to say, in the other language used in the election campaigns participated in by my friend from Quebec South (Mr. Power) that I believe I am echoing the thoughts of all those who live

in that particular constituency, whatever their political faith, when I say that we have the very greatest esteem and affection for him.

(Text):

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, may I join with the Prime Minister not only in extending the warmest good wishes which can be expressed to the hon. member whose name is before us today, but also in stating that we do honour ourselves in recognizing public service which is marked by an anniversary of this nature.

To hold the continued support, respect and affection of those who have sent him here for half man's allotted span, according to biblical terms, is in itself a very great achievement, and something that should warm the heart and be a source of permanent satisfaction to any human being. I feel sure that today the warmest recollection in the mind of the hon. member for Quebec South (Mr. Power) is the friendly personal support of those who have said "well done" to the man they chose to represent them for all these years.

As has been said, he is one of those members who came to this house with a family tradition, which undoubtedly was a help to him in placing himself before the people of that constituency; but also undoubtedly it helped him in another way, because it is obvious that from his youth he had been imbued with traditions of public service and of the place of parliament in our free way of life as constantly expressed in what he said in this house in the years that have followed.

It must be a great source of satisfaction to him to know that he holds not only the respect of all hon. members, but also their genuine affection. In the sometimes arduous and sometimes very vigorous exchange of differing opinions as to the way that public affairs can best be conducted, it is significant that the hon. member for Quebec South has been known at all times to those in different parts of the house, whether they shared his political views or not, as Chubby Power, and as a man whom they respected at all times, whether they shared his own particular political interpretation of the best way the country could be served at any time.

This country will always be deeply indebted to Chubby Power for the service he gave as minister of national defence for air during war. Whatever other accomplishments may be recorded beside his name, it will never be forgotten that Canada was in large measure the training pool from which there went out to different parts of the world young men of different nationalities who took their places in what has become the most critical aspect of military activity in these modern days. His name will always be associated with that great training program under which young men from the whole commonwealth came here to the wide spaces of Canada, trained for battle, and went out and served the common cause of freedom under that imaginative and successful program.

He established his own reputation for service in the field of battle in the first world war, and was decorated with the Military Cross for valour, serving with that branch of the service which has not at all times expressed its utmost respect for that branch of the service to which I have the privilege to belong. But whether the infantry always shared the opinion of the artillery that members of the artillery always noticeably expressed themselves, the fact remains that members of the artillery, of the engineers, of the air force, of the navy or of any other branch of the service always did recognize that the infantry is the queen of battles, and that when a man rises to the command of a company, and acting command of a battalion, and is decorated with the Military Cross, as Chubby Power was during world war I, that indeed is something that commands the respect of every one of us.

He will be remembered in another way. Some members leave an imprint in this and in other parliaments because of an interest in a particular field of public activity. In addition to his administrative responsibility, may I say with the deepest sincerity that, so far as I have been able to ascertain from my own reading, no member in this house has more clearly stated the fundamental principles of parliament than has the hon. member for Quebec South on many occasions. I hope that he may follow a course which can be extremely useful to others and that, in book form, he will accumulate many of his own statements in regard to the traditions of this great institution, and add of course those other comments that he could make with the long knowledge he has gained over these past thirty-five years.

I could not help appreciating the sentiment with which the Prime Minister referred to the words of the hon. member for Quebec South when he spoke of his first speech, and of his last, prospective, political speech. I have not heard it suggested that this indicated any possibility of a translation to a higher realm, but I would hope that, in whatever capacity his future speeches may be made, all of us may have the pleasure of continuing association with him, whatever field of public service he continues to occupy.

To him, as the dean of the house, young in vigour, young in spirit and with a great accumulated knowledge, we pay our respects. And I know that at the same time he would wish us all to join in our thoughts on this historic occasion the great service of his wife to the common cause in which they have engaged. I am sure that all of us would wish him to convey to his very charming wife, who has been so closely associated with him in all these activities, our best wishes for her happiness in continuing association with a great member of this parliament.

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, it is with great pleasure that I associate myself and those in this group not only with the words but also with the spirit of what has been said by the Prime Minister (Mr. St. Laurent) and the Leader of the Opposition (Mr. Drew).

This is indeed a great occasion. I would say that, so far as the membership of this House of Commons is concerned, it is unique; because it is not given to very many of us who come here to represent continuously a constituency that has sent a member here for over a third of a century.

The Leader of the Opposition has referred to the service the hon. member for Quebec South rendered to this country when he was minister of defence for air. As one who was a member of the house at that time, and as one who met so many of the men who were in the Canadian air force in those days, I can say that I, too, believe that perhaps that was one of the greatest services he has rendered the people of this country. His presence as minister was surely a comfort to many of the young men who joined the R.C.A.F. I can attest to that from what has been said to me not only by men in the air force but by others who had occasion to know what was being done at that time.

But, after all, I do not believe the character of a man or his work can be measured in terms of the heights he has reached or the posts he has held. The true character of a man is that, after having reached these heights, he is ready to give up everything he has gained, if he finds that there are conditions that he cannot go along with. The hon. member for Quebec South demonstrated that he was able to do that. Whether or not we agree with his reasons for doing it, we must honour the man for what he did.

Again I say it is with the greatest of pleasure that I associate myself with the words and the spirit of what has been said by the two hon. gentlemen who have already spoken.

Mr. Solon E. Low (Peace River): Mr. Speaker, thirty-five years of continuous service in the House of Commons is indeed a remarkable parliamentary record. To hold the respect and the support of constituents for so long a period of time is a real achievement, especially when, as in this instance, it has had to be done in the thick of political rivalry.

I have tried, since this little ceremony of tributes began this morning, to think of some parallel. The only one that comes to mind is not in the human realm at all. It so happens that I am a great lover of wildlife, particularly birds. Canada geese have always excited my admiration—and I hope the hon. member about whom we are speaking will not think that I am calling him a wild goose. However, there are some characteristics I should like to have in common with the one about which I am going to speak.

Not long ago I visited the Jack Miner foundation at Kingsville, and while I was there those in charge netted about 700 geese, and proceeded to band those that had not been banded. Amongst them they discovered one old fellow they had banded in 1931. It was evident that for twenty-one continuous years that old fellow had flown, perhaps from Louisiana, to the bird sanctuary at Kingsville, and then from there to the James bay area and back again, a distance of perhaps six thousand miles each year. He had been able to avoid accidents and to survive, and to continue to lead the V-shaped formation unerringly to the sanctuary.

That is no mean record; it is a real achievement. It took wisdom, adaptability and a whole lot of common sense to do it. I am quite sure that, in paying respect to the hon. member this morning, no better parallel could be drawn than this, and the statement that he has achieved an even better record than the old goose in the sanctuary who was able to fly so long back and forth across the country, and still remain alive—especially with people shooting at him and trying to destroy him.

All joking aside, I wish to join with all others in honouring the hon. member on this day, and to assure him that he has the undivided good will and sincere wishes, for a long and happy future, of all those for whom I speak in the House of Commons.

Mr. Jean François Pouliot (Temiscouata): Mr. Speaker, after the gracious speeches delivered by the Prime Minister (Mr. St. Laurent), the Leader of the Opposition (Mr. Drew) and the leaders of the other groups, will you please listen to the voice of the rank and file.

Felicitations to Mr. Power

I am happy to join the countless friends of Chubby Power in extending to him, to Mrs. Power and their children our warmest congratulations and best wishes on the occasion of this anniversary. I know Chubby Power as a glamorous figure in politics, because he was endowed—and he still is—with a gift that could never be defined by the civil service commission, a pleasing personality. The hon. member has been well known for his good sportsmanship, his humour and his wit. His success in politics may be due to his good judgment, but I think it is mostly due to his remarkable "flair".

All speakers have referred to his brilliant war record and the fact that he was minister of national defence for air for many years. It is to his credit that he has never been considered to be a brass hat.

Thirty-five years in politics is a long time. I remember when the late Ernest Lapointe celebrated a similar anniversary. During these thirty-five years the hon. gentleman has represented in this house the heart of the capital city of the province of Quebec, the part within the old fortifications. This includes the court house and there have been many judges who voted for Chubby. The basilica was in his riding and Chubby has represented three cardinals and two archbishops. The legislative buildings are outside the walls of Quebec city, but he has represented countless lieutenant governors and four premiers of Quebec. Not only that, he represents Laval university with I do not know how many rectors and professors. On an occasion like this would he not be deserving of an honorary degree from Laval university?

Mr. Maurice Boisvert (Nicolet-Yamaska): Mr. Speaker, as an associate of the hon. member for Quebec South (Mr. Power) during many struggles for the cause of Liberalism in the province of Quebec, I want to join with others, especially with the Prime Minister (Mr. St. Laurent) and the Leader of the Opposition (Mr. Drew), in what was said about the hon. member. They have put before us so truly his qualities and outstanding personality. I wish Mrs. Power and him many years together, warmed by the esteem of all the people of Canada.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, I had the privilege of being in the house during the time when the hon. member who is now being honoured was carrying the exceedingly heavy portfolio which he carried through the war and to which reference has been made. I think there is one thing that should be recorded. When the hon. member was putting his estimates through the house he was always cheerful and jovial. I think he was the most cheerful and happy member of the cabinet I ever saw in my life when putting through his estimates. He never had any trouble getting his estimates past the house. I am quoting from memory, but there was an item one time about which some hon. members were concerned and they began to probe in an effort to get some information, and the hon. member I believe said, "I don't know a darn thing about it at all." The item passed right there.

There is one other thing that I believe all hon. members would desire to know. This is something which I am sure the children and descendants to the latest generation of the hon. member for Quebec South (Mr. Power) will be glad to know. I had the fortune and misfortune of having a son in the air force. I was fortunate because of his service and sacrifice for this great nation and empire which we all love. I had the misfortune because of the sorrow caused by his loss.

We lost track of our boy after he got to England and no effort that we could put forward could locate his address. I finally decided that I would ask Chubby Power if he could do anything for me. You can imagine a man as busy as he was—building the commonwealth air training plan and taking care of the thousand and one details that needed to be looked after—being asked by an ordinary member of parliament to locate his son. He said to me, "I will send a signal off at once and locate him right away." Inside of an hour my office was called and the address of my boy was given to me. I was also assured that he was well, sound, and serving in England.

That indicates just one of the qualities of the hon. member for which he was loved by our people. I know that in our home one of the comforting thoughts we have when our minds go back to the terrible loss that we sustained in the death of that boy is the fact that the minister of national defence for air was interested enough in him and his welfare and in us and our welfare to take time from an exceedingly busy life to find out where that boy was located and give us his address.

Mr. Speaker: If the hon. member for Quebec South speaks now he will close the debate.

Hon. C. G. Power (Quebec South): Mr. Speaker, in the thirty-five years that it has been my privilege to take part in debates and to close one or two, I cannot recall one where the words used by the speakers who went before me were so uniformly kind, tolerant, generous and magnanimous. Even my hon. friend who compared me to a wild goose was

probably unaware of the fact that there are few greater legendary heroes in the history of Ireland than the wild geese who were obliged to flee their country in order to remain faithful to their faith and to their king.

I have other friends outside the house who, having considered the events of the past few days as they concerned me, were somewhat perturbed lest the laudatory remarks and even the adulation which has been showered upon me, as they said, on account of a sort of careless promenade on the fringes of Canadian history during the past third of a century, might affect my better judgment, and they have furnished me with certain quotations which I hope are not too irrelevant but which may perhaps be considered to be salutary. One is from the *Hansard* of the British House of Commons of March 7, 1945, Mr. Winston Churchill speaking:

> I have only two more minutes to speak, and I will devote them to my noble friend, the father of the house. He is a comparatively young father of the house; he has many years of useful life before him. We still hope they may be years of useful life in this house, but unless in the future his sagacity and knowledge of the house are found to be markedly superior to what he has exhibited today, I must warn him that he will run a very grave risk of falling into senility before he is overtaken by old age.

It is perhaps well that I should take note of this warning and that I do not indulge in semi-senile maunderings about the good old days. Perhaps I might quote another little piece, I hope not quite so relevant but still salutary. It is an epitaph on the politician:

> Here, richly, with ridiculous display,
> The politician's corpse was laid away,
> While all of his acquaintances sneered and slanged,
> I wept: for I had longed to see him hanged.

These lines are from the writings of Hilaire Belloc who, strangely enough, was a member of parliament in the British House of Commons. I rather suspect that he must have been for long years a member of the opposition faced with a vociferous, turbulent and arrogant majority. I too in the course of my career have been twice on the opposite side. I have had the privilege of sitting in two parliaments as a member of the opposition and can well remember the irritation and the anger which were occasioned by what I then considered to be the arbitrary and dictatorial acts of the members of the government. I am quite sure that my good friend, the hon. member for Inverness-Richmond (Mr. Carroll), when he sat in the house as one of the heroes of the Liberal filibuster against the naval bill in 1912—as a humble camp follower I had the privilege of sitting in the gallery at that time —must have had his moments of blind rage when first closure was introduced into this house and his beloved and idolized leader, Sir Wilfrid Laurier, had to submit to the gag.

But as the years went by those of us who changed our positions in the house were able to look at similar proceedings with a certain degree of calmness and perhaps satisfactory equanimity. Therefore I suppose the strength of one's emotions and one's feelings is largely to be gauged by the lapse of time and the geographical situation in which we find ourselves. Nevertheless there does develop over the years a feeling of kindly tolerance which grows into comradeship and finally develops into true and strong friendship as between members of this great institution, the House of Commons. Even Belloc himself, whom I have already quoted, must have come to that conclusion, because in his later years he had this to say:

> From quiet homes and first beginning
> Out to the undiscovered ends,
> There's nothing worth the wear of winning
> But laughter and the love of friends.

As for me, to paraphrase the poet, all I can say is:

> My thanks, my friends,
> My thanks, my foes;
> My love to these,
> My peace with those.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 49, for the relief of Mina Eisenthal Hamerman Segal, otherwise known as Mina Eisenthal Segall.—Mr. Winkler.

Bill No. 50, for the relief of Agnes Charlotte Quamme Higgins.—Mr. Winkler.

Bill No. 51, for the relief of Agnes Mary Perkins Pereira.—Mr. Winkler.

Bill No. 52, for the relief of Rosalia Marie Sepchuk Maniloff.—Mr. Winkler.

Bill No. 53, for the relief of Anne Reddie Banks Carruthers Beaudoin.—Mr. Winkler.

Bill No. 54, for the relief of Doris Isabell Dalzell Bennett.—Mr. Winkler.

Bill No. 55, for the relief of Costanza Marzitelli Boisvert.—Mr. Winkler.

Bill No. 56, for the relief of Gladys Emily Miller Young.—Mr. Winkler.

Bill No. 57, for the relief of Francoise Ernout Fisher.—Mr. Winkler.

Bill No. 58, for the relief of Margaret Girvan Hill.—Mr. Winkler.

Bill No. 59, for the relief of Fernand Ratelle.—Mr. Winkler.

Bill No. 60, for the relief of Charles Meela Voyinovitch Seifert.—Mr. Winkler.

Bill No. 61, for the relief of Lily Isenberg Kwavnick.—Mr. Winkler.

Bill No. 62, for the relief of Doreen Mae Walmough dit Watmough Colson.—Mr. Winkler.

QUESTIONS

ROYAL CANADIAN AIR FORCE—GROUND-AIR RATIO OF PERSONNEL

Mr. Balcom:

What is the ground-air ratio of officers and men in the Royal Canadian Air Force?

Mr. Blanchette: The ratio of qualified aircrew and aircrew under training to non-flying list personnel is 1 to 6·2.

CENTRAL MORTGAGE AND HOUSING PROPERTY

Mr. Lennard:

1. What was the price paid for the land upon which the head office building of Central Mortgage and Housing Corporation is being erected?
2. What is the size of the property?
3. What acreage will be covered by the building?
4. What will be the completed cost of the building?
5. What will the auditorium cost?
6. What will the dance floor in the auditorium cost?
7. What will be the completed cost of landscaping the grounds surrounding the building?
8. What was the complete cost of the house erected for the former owner of the property?

Mr. Winters: Yesterday the hon. member for Wentworth stated on the orders of the day that, with the exception of one day, this question had been on the order paper since July 2, and expressed the hope that he would get an early answer. Since the hon. member's remarks might give the impression that there had been many previous occasions to answer this question, perhaps I should say that it appeared first in *Votes and Proceedings* on Wednesday, July 2, 1952 and in Routine Proceedings and Orders of the Day on Friday, July 4. It will be recalled that the house adjourned on the same day and that there was no opportunity then to answer the question.

The question reappeared on the order paper on Friday, November 21. Since that time hon. members have been debating the speech from the throne, and there was only one occasion on which questions were answered. That was Wednesday, December 10. On that particular day I was unable to be here because of a business engagement elsewhere, and this, therefore, is the first opportunity I have had to answer the question. The answer is as follows:

1. An average of $824.30 per acre.

2. 281·5 acres.

3. The building and its grounds cover 21·3 acres.

4. The construction contract is not yet closed. Estimated completed cost $2 million.

5. The auditorium is part of the general contract and is estimated to cost approximately $40,000.

[Mr. Power.]

6. The recreation floor is part of the general contract and the central section which is a spring floor is estimated to have cost about an additional $2,500 more than standard floor construction.

7. The landscaping is incomplete. The estimated completed cost, $35,000.

8. Central Mortgage and Housing Corporation did not erect a house for the former owner nor have they any knowledge of the cost of the house erected by him.

GOVERNMENT-RENTED STORAGE SPACE

Mr. Fraser:

1. Except for grain, does any department or agency of the government rent storage space in (a) buildings; (b) not under cover?
2. If so, in each case (a) where are the storage spaces located; (b) of what type are they; (c) what is the size of the space; (d) what is the rental cost?

GOVERNMENT-OWNED STORAGE SPACE

Mr. Fraser:

1. Except for grain, does any department or agency of the government own storage space in (a) buildings; (b) not under cover?
2. If so, in each case (a) where are the storage spaces located; (b) of what type are they; (c) what is the size of this space?

Mr. Fournier (Hull): I should like to couple these two questions which are asked by the same hon. member. They concern space in public or rented buildings occupied by departments of the government. The first question is easy to answer because the answer is yes. Nearly every department occupies space in publicly owned or rented buildings. Where the trouble starts is that the gentleman wishes to know in each building the number of square feet occupied by each department and the nature of the space. I understand that there is not one building which we occupy, owned or leased, in which there is not some space for storage. Even in this building I would have to find out where we put away cleaning material and what space it occupies in the building.

Mr. Fraser: That is not what I am asking for.

Mr. Fournier (Hull): May I suggest to the hon. gentleman that he drop these questions but that he can discuss the matter with me or some of the officials and we can give him the information he desires. The way the question is drafted now, even if I took all my Christmas holidays I would not be able to produce the information.

Mr. Speaker: Questions Nos. 8 and 29 will be dropped.

[Later:]

Mr. Fraser: Mr. Speaker, in regard to questions Nos. 8 and 29, the understanding was that the information concerned space that was rented or owned—

Some hon. Members: Order, order.

Mr. Fraser: —only for one purpose—for storage; and that is the answer I want.

Mr. Fournier (Hull): Every department has some storage space. While you are speaking on the matter, a year ago I was visiting the justice building and I found the corridors on floors 6, 7 and 8, serving as a storage space for their filing cabinets. I would have trouble giving you exactly the space occupied by each department in each building.

Mr. Speaker: I think it would be better if the question were dropped. The hon. gentlemen can discuss the matter and either have the questions replaced on the order paper or reworded.

Mr. Fraser: Could they not stay on and then I could speak to the minister too?

Mr. Speaker: It was agreed that they should be dropped and probably the agreement might be carried out.

WHEAT IN STORAGE

Mr. Diefenbaker:

How much of the 1951 wheat crop is still in storage at (a) terminals; (b) local line elevators?

Mr. McIlraith: Statistics of stocks of grain in storage, as compiled by the board of grain commissioners for Canada, do not differentiate between grain of various crops.

This also applies in respect to grain received by elevator companies for the account of the Canadian wheat board and, neither in the receiving of grain from producers, the storing of grain in country elevators, nor in the shipping of grain from country elevators is the year of production recorded. As agents of the Canadian wheat board, elevator companies must account to the board for the quantity of grain which they receive from producers in each crop year and for which they issue producers certificates but the year of production is not recorded.

CUBAN REFINED SUGAR IMPORTS

Mr. Coyle:

1. How many tons of Cuban refined sugar have been imported, during the years 1950, 1951 and 1952, to date?
2. Is there any duty on this sugar? If so, how much per ton?
3. What was the laid-down price of this sugar in each year?
4. Has Canada an agreement with Cuba to take this sugar?
5. If so, what are terms of the agreement?

Mr. Fournier (Hull):

1. Refined sugar first classified for statistical purposes January 1, 1952. Therefore, imports for 1950 and 1951 are not available. Imports January 1 to September 30, 1952—9,900 tons.

2. Yes. Cuban refined sugar is subject to duty under tariff item 134 at the rate of $1.89 per one hundred pounds or $37.80 per ton of 2,000 pounds.

3. Information not available.

4. No, the agreement with Cuba covers raw sugar only.

5. Answered by No. 4.

CLERK OF THE PRIVY COUNCIL

Mr. Lennard:

1. Who is clerk of the privy council?
2. When was he appointed?
3. What is his salary?
4. What are the duties of his office?
5. What previous positions has he held in the service of the government of Canada, and during what period of time was each such position held?
6. Since his appointment as clerk of the privy council, what trips has he made out of Ottawa on government business, setting forth places visited, the duration of each such visit and the purpose in detail of each visit?
7. On any such visits, did he accompany any minister of the crown, and if so what, in detail, were the services performed by him on each such visit for such minister of the crown?
8. What, in detail, was the purpose of any visits made by any such minister of the crown in which he or they were accompanied by the clerk of the privy council?
9. What travelling or other expenses were incurred on his behalf on any such visits and to what account were such expenses charged?

Mr. St. Laurent:

1. Mr. J. W. Pickersgill.

2. June 1, 1952.

3. $15,000 per annum.

4. The duties were defined in the order in council appointing the clerk of the privy council and secretary to cabinet on March 25, 1940 (P.C. 1121 of 1940).

5. Mr. Pickersgill was appointed a third secretary in the Department of External Affairs after a competitive examination on October 14, 1937, and was seconded for duty in the office of the Prime Minister in December, 1937. On April 1, 1942, he was appointed private secretary to the Secretary of State for External Affairs. On June 9, 1945, he was given leave of absence from the Department of External Affairs and appointed special assistant to the Prime Minister and

head of the office of the Prime Minister, which position he occupied until May 31, 1952.

6. On July 26, the clerk of the privy council, in his capacity as secretary to the cabinet, visited the Prime Minister at his summer home to discuss a number of matters of official business under consideration by the cabinet, upon which his colleagues wished to obtain the Prime Minister's views.

On August 16, he travelled to Arvida to meet the Prime Minister and spent three days accompanying the Prime Minister on a visit to the Lake St. John district, and one day at the Prime Minister's summer home at St. Patrick, Quebec. The purpose of the visit was to take up a number of matters of official business with the Prime Minister and to be available to keep in touch with the Prime Minister's colleagues in Ottawa to deal with any urgent matters of public business which might arise during this period.

On August 30, he left Ottawa to join the Prime Minister in Calgary to accompany him during a part of the Prime Minister's visit to British Columbia in order to be available, whenever required, to keep in touch with the Prime Minister's colleagues in Ottawa on various matters of public business. He left the Prime Minister at Edmonton on September 8, and met him in Winnipeg on September 10, and returned to Ottawa on September 11. During this trip, the secretary to the cabinet had frequent occasion to be in touch with the cabinet secretariat and certain of the Prime Minister's colleagues in Ottawa regarding a number of matters of public business then pending, including particularly the preparations for the commonwealth economic conference.

On November 25, he accompanied the Prime Minister to London, England, for the commonwealth economic conference, and returned to Ottawa with him on December 12. During this visit the secretary to the cabinet, who has a relationship to the Prime Minister similar to that of a deputy minister to his minister, acted as an adviser to the Prime Minister in connection with matters before that conference.

7. Answered by No. 6.

8. The visit of the Prime Minister to the Lake St. John district was made for the purpose of seeing at first hand the great industrial development of that region.

The visit of the Prime Minister to British Columbia was originally planned for the purpose of attending the Canadian Bar Association convention, officiating at the opening of the law faculty building of the University of British Columbia and at the official opening of the new post office at Victoria, B.C. The Prime Minister took advantage of the visit to see something of the development of other parts of the province of British Columbia which he had not previously had an opportunity of visiting. On his return he stopped at Edmonton to see some of the new industrial developments in that area; and in Winnipeg to address the Canadian Club.

The Prime Minister's visit to London was for the purpose of attending the commonwealth economic conference.

9. Expenses incurred were as follows:

Visit to St. Patrick, nil;

Visit to Lake St. John district, $29.10; visit to British Columbia, $30.35.

(Items above charged to privy council vote).

Visit to United Kingdom (£14·7·6) $39.39 (charged to External Affairs vote).

[Mr. St. Laurent.]

CIGARETTES—SALES, REVENUE, ETC.

Mr. Hansell:

1. How many cigarettes were manufactured in Canada, during the last year for which total figures are available?

2. What was the total amount in dollars of sales of these cigarettes?

3. What was the total amount of revenue collected from the sales of these cigarettes by way of (a) excise tax; (b) sales tax?

Mr. Fournier (Hull):

1. For calendar year 1951, 15,878,521,805.

2. Estimated retail value of cigarettes manufactured in Canada and released for consumption in 1951, $315,000,000.

3. (a) Excise tax $79,812,174.65; excise duty $94,193,806.96.

(b) No separate compilation of sales tax on any commodity.

REPLACEMENT WHEELS FOR TANKS

Mr. Hodgson:

1. Were tenders called for in the case of replacement wheels for the tank used as a Canadian army training vehicle, as contract No. E. 20-LVIA-129?

2. If so, in what month of the year 1952 were such tenders called for?

3. What individuals or firms submitted tenders, and what was the amount of each tender submitted?

4. To whom was the contract awarded, and in what amount?

Mr. Dickey:

1. Yes.

2. July.

3. It has been the established policy of this department to disclose only the details of the successful tender.

4. Levy Auto Parts Co. Ltd., Toronto, Ontario, for items 1, 3 and 4 of the contract for a total amount of $112,099.50, sales tax included f.o.b. Montreal.

Firestone Tire and Rubber Co. of Canada, Ltd., Hamilton, Ontario, for item 2 of the contract for a total amount of $3,327, sales tax included f.o.b. Montreal.

ARMED FORCES MEDICAL OFFICERS— POST-GRADUATE STUDIES ABROAD

Mr. Fraser:

1. Have any medical officers in (a) army; (b) navy; (c) air services, been sent to the United States or any other country to take post-graduate study?

Questions

2. If so, are such officers drawing (a) full pay while away from the service; (b) travelling expenses; (c) living allowances; (d) allowances for wife and family?

3. Are tuition fees also paid by the government?

4. If so, what is the amount in each case?

5. How many months are they out of the Canadian service?

Mr. Blanchette:

1. Yes.

2. (a) Yes; (b) Yes, to and from the course only; (c) Yes; (d) Yes, where applicable.

3. Yes, where required.

4. Field of study	Place	Tuition Fee
Internal medicine	University of London	£ 190
Internal medicine	University of Pennsylvania	$ 960.00
Cardiology	Royal Medical College, London	$ 75.00
Hospital administration	Columbia university	$1,050.00
Psychiatry	University of Pennsylvania	$ 960.00
Public health	Edinburgh university	$ 214.00

5. To increase their usefulness to the service, medical officers are normally allowed, in accordance with terms of service, one year post-graduate training after each five year period of active duty. Since all courses of study cannot be embraced within a twelve-month period, officers are often permitted to extend their period of study beyond twelve months. In such cases, the additional time is deducted from any future periods of time for post-graduate study which the officer may accumulate.

LETHBRIDGE GRAIN ELEVATOR

Mr. Harkness:

1. What is the capacity of the dominion government grain elevator at Lethbridge?

2. What is the total volume of grain, by years, which has been handled by this elevator in the years 1941-1951 inclusive?

3. What amounts of grain were held in this elevator at the end of March, June, September and December, for the past two years?

Mr. McIlraith:

1. 1,250,000 bushels.

2.

Fiscal Years	Net Bushels
1941-42	285,889
1942-43	25,632
1943-44	73,192
1944-45	13,352
1945-46	6,244
1946-47	1,203
1947-48	139,436
1948-49	63,046
1949-50	12,581
1950-51	30,904
1951-52	1,008,961

3. 1951—March, 5,040 bus.; June, 21 bus.; September, 410 bus.; December, 75,513 bus.

1952—March, 364,422 bus.; June, 66,810 bus.; September, 149,693 bus.; November, 457,161 bus.

GANDER AND TORBAY AIRPORTS —RUNWAY EXTENSIONS

Mr. Higgins:

What runway extensions, if any, are planned for Gander and Torbay airports?

Mr. Chevrier: For Gander airport, additional facilities are under consideration and when approved will be made known. For Torbay airport, no extension is planned by the department during the next fiscal year.

TRANS-CANADA HIGHWAY, NFLD.

Mr. Higgins:

1. How many miles of trans-Canada highway have been completed in Newfoundland?

2. How many miles have still to be completed?

3. What was the average cost per mile of the highway in Newfoundland?

4. What was the average cost per mile of the highway in each of the other provinces?

5. Has an agreement been reached between the government of Newfoundland and the federal government whereby the standards of the highway in Newfoundland will be relaxed?

6. Is so, what changes in the standards of the highway have been agreed to, and when was such agreement made?

Mr. Winters:

1. No mileage has been fully completed.

2. 610 miles.

3. See answer to No. 1. Records of cost of completed construction are therefore not available.

Questions

4. Relatively few miles have been fully completed and sufficient information is therefore not yet available to determine accurately the average cost per mile of the completed highway in the other provinces.

5 and 6. No. Section 2 (c) of the agreement empowers the minister to authorize deviations from the specifications in certain instances where adherence to it would entail excessive expenditure, provided the deviations do not prejudice the construction of a highway of high standard. Deviations have been so authorized for Newfoundland as they have been in other provinces.

NEWFOUNDLAND COD FISHING—VESSELS AND EQUIPMENT

Mr. Browne (St. John's West):

1. What vessels have been employed by the federal government during 1952, in Newfoundland waters, in experimental methods of catching codfish?
2. What has been the cost of operation in each case?
3. What earnings, if any, have been produced in each case?
4. Where have such vessels been conducting their experiments?
5. If vessels are hired, what has been the cost of hire?
6. If vessels are owned by the federal government what were costs of vessels and equipment?

Mr. MacNaught:

1. (a) *Edward Humby;* (b) *Atlantic Rover;* (c) *Marjory Beryl;* (d) *Pat and Judy;* (e) *Gertrude and Ronald.*

2. (a) Included in charter; (b) $600.85 (to Nov. 15); (c) $202.67 (to Nov. 15); (d) $709.46 (to Nov. 15); (e) $352.31 (to Nov. 15).

3. (a) Under charter catch retained by owner; (b) $1,721.39; (c) $1,757.62; (d) $1,316.84; (e) $1,444.21.

4. (a) Winter fishing on southwest coast; (b) to (e) northeast coast from Bonavista bay to the strait of Belle Isle.

5. (a) $5,568.15; (b) $12,650.89; (c) $12,240.80; (d) $11,999.73; (e) $10,699.51.

6. All vessels were or are chartered.

DAMAGE TO VESSEL "MISS OSBORNE"

Mr. Browne (St. John's West):

1. Was any investigation made into the explosion, which took place in Newfoundland waters, on the experimental boat *Miss Osborne,* in August, 1951?
2. If so, what was the result?
3. What was the extent of the damage?

Mr. MacNaught:

1. Yes.

2. The explosion resulted from the accidental ignition of gasoline fumes which developed during refuelling.

[Mr. Winters.]

3. The vessel was totally destroyed. However, under the terms of charter the crown was not liable in any manner for loss or damage to the vessel. The incident automatically terminated the charter agreement.

FORD MOTOR COMPANY, WINDSOR—PURCHASING TERMS FOR WORKERS' HOMES

Mr. Noseworthy:

1. Has the government received any requests that workers, employed by the Ford Motor Company at Windsor, be permitted to buy homes in Oakville, on the same terms as defence workers?
2. If so, what consideration has the government given to these requests?

Mr. Winters:

1 and 2. No. The arrangement for defence workers housing is part of the government's effort to encourage defence workers to build houses in those areas where they are needed for Canada's defence production program. The arrangement involves a 10 per cent down payment and is available only to defence workers employed in plants certified by the Minister of Defence Production as defence production plants. I am informed that the Ford Motor Company has not been so certified.

IMPORTS OF TRACTORS

Mr. Murphy:

1. How many tractors, farm and garden type, were imported by Canada from the United States in 1951 and 1952?
2. What was the dollar value?

Mr. McIlraith:

1 and 2. Farm and garden type tractors are not separately recorded in trade statistics. The imports of all types of tractors from the United States were as follows:

	No.	Value
Calendar year 1951 ...	52,571	$83,375,106
January 1 to September 30, 1952.	38,245	63,815,533

IRON ORE

Mr. Laing:

1. In the last year for which figures are available, what was the tonnage and value of Canadian iron ores used in Canadian steel mills?
2. In the same period, what was the tonnage and value of Canadian iron ores exported?
3. In the same year, what was the tonnage and value of iron ores imported for use in Canadian mills, from (a) the United States (b) all other countries?

Mr. McIlraith:

1. Canadian iron ores used in Canadian steel mills, calendar year 1951, quantity 1,476,440 short tons; value (cost at consuming plant) $10,497,268.

2. Canadian iron ores exported calendar year 1951, quantity 3,225,767 short tons; value $18,596,137.

3. Iron ores imported for use in Canadian mills, calendar year 1951, from (a) the United States, quantity 3,690,269 short tons; value $21,329,066.

(b) Other countries, quantity 141,149 short tons; value $1,342,199.

FILMS FOR TELEVISION PROGRAMS

Mr. Balcer:

1. Has the Canadian Broadcasting Corporation awarded a contract to the Famous Players Company of Canada, for the lease or purchase of films for television programs?
2. If so, when was such contract awarded, for how many films and what was the total amount of the contract?

Mr. McCann:

1. No.

2. See answer to No. 1.

TELEVISION PROGRAM "HILDA MORGAN"

Mr. Balcer:

1. Who is responsible for the choice of the "Hilda Morgan" program recently telecast by the Canadian Broadcasting Corporation?
2. By whom was it written?
3. What amount was paid to the author?
4. By whom was it censored?
5. Is it intended to play the said program in the province of Quebec?

Mr. McCann:

1. The Canadian Broadcasting Corporation as a whole is responsible for the choice and content of its programs.

2. Lister Sinclair.

3. It has not been considered in the interest of the corporation or in the public interest to make known amounts paid by the corporation to individuals in business transactions.

4. See answer to No. 1.

5. This matter has not been considered.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ORGANIZATION AND METHODS SERVICE—ASSISTANCE TO GOVERNMENT AGENCIES

Mr. Hodgson:

What branches or agencies of government have requested and received the assistance of the organization and methods service of the civil service commission?

Mr. Fournier (Hull): Return tabled.

SENATE FINANCE COMMITTEE—IMPLEMENTATION OF RECOMMENDATION 2

Mr. Thatcher:

What steps, if any, have been taken by the government to implement recommendation 2 of the Senate standing committee on finance, made last June 23?

SABRE JETS—EMPENNAGES

Mr. Fulton:

1. Was a contract let to Enamel and Heating Products Limited, Sackville, New Brunswick, for production of empennages for F86E Sabre jets?
2. If so, (a) when was the contract let; (b) for how many units; (c) what was the total contract price?
3. Have any empennages been produced under this contract?
4. Is the contract still in effect?
5. If so, when is delivery expected to start?
6. How much money has been paid under or by reason of the contract to date?

SABRE JETS—MAIN WING PANELS

Mr. Fulton:

1. Was a contract let to the Ford Motor Company of Canada, Windsor, Ontario, for production of main wing panels for F86E Sabre jets?
2. If so, (a) when was the contract let; (b) for how many units; (c) what was the total contract price?
3. Have any main wing panels been produced under this contract?
4. Is the contract still in effect?
5. If so, when is delivery expected to start?
6. If not, when was it cancelled?
7. How much money has been paid under or by reason of the contract to date?
8. Has the contract been let to any other person or corporation for production of main wing panels for Sabre jets?
9. If so, to whom?

ROWELL-SIROIS AND MASSEY COMMISSIONS—FEES, ETC.,

Mr. Low:

1. What amounts of fees, gratuities, allowances and expense moneys were paid by the government of Canada to each member of the Rowell-Sirois royal commission?
2. What amounts of fees, gratuities, allowances and expense moneys were received from the government of Canada by each member of the Massey royal commission on arts and sciences?

ADVERTISING FIRMS ENGAGED BY GOVERNMENT

Mr. Murphy:

1. What advertising firms or agencies were engaged by any and all departments of government for the year 1952?
2. What amounts were paid to each firm?

BUCTOUCHE, N.B., POST OFFICE

Mr. Robichaud:

1. In what year was the Buctouche, New Brunswick, post office building erected?
2. What was the cost of this building?
3. What have been the annual revenues of the Buctouche, New Brunswick, post office during the years (a) 1945; (b) 1946; (c) 1947; (d) 1948; (e) 1949; (f) 1950; (g) 1951?

ROGERSVILLE, N.B., POST OFFICE

Mr. Robichaud:

1. In what year was the post office building erected at Rogersville, New Brunswick?
2. What was the cost of this building?

3. What have been the annual revenues of the Rogersville, New Brunswick, post office during the years (a) 1945; (b) 1946; (c) 1947; (d) 1948; (e) 1949; (f) 1950; (g) 1951?

REXTON, N.B., POST OFFICE

Mr. Robichaud:

1. In what year was the post office building erected at Rexton, New Brunswick?
2. What was the cost of this building?
3. What have been the annual revenues of the Rexton, New Brunswick, post office during the years (a) 1945; (b) 1946; (c) 1947; (d) 1948; (e) 1949; (f) 1950; (g) 1951?

UNITED STATES ATTORNEYS—PERMISSION TO PLEAD IN CANADIAN COURTS

Mr. Hansell:

1. How many times during the last five years have attorneys at law from the United States or any other country been permitted to plead or advocate cases in Canadian courts?
2. What are the names of those permitted, and in what cases did they act?

Mr. Garson: In relation to this matter, I suggest we might bring down in the form of an order for return the information my hon. friend wishes in relation to federal courts. As far as provincial courts are concerned the administration of justice in them comes under the provinces themselves and the information sought would have to be supplied by them.

Mr. Speaker: Order for return.

MOTIONS FOR PAPERS

MILITARY TRAINING AREA, N.B.—CORRESPONDENCE

Mr. Brooks:

For a copy of all correspondence from January 1, 1951, to date, exchanged between the federal government or any department thereof and the government of the province of New Brunswick or any department thereof, relative to the taking over of an area in Queens and Sunbury counties, New Brunswick, as a military training area.

Mr. Blanchette: Mr. Speaker, I have spoken to the hon. member for Royal (Mr. Brooks) and he has kindly agreed to have this motion stand for the time being.

MILITARY TRAINING AREA, N.B.—REPORTS

Mr. Brooks:

For a copy of all reports from January 1, 1951, to date, received by the Department of National Defence, respecting surveys and inspections made by officials of the department and others on Utopia area and the Queens-Sunbury area, in New Brunswick, relative to proposed military training area.

YUKON RIVER PROJECT—REPORTS BY COMMITTEES

Mr. Adamson:

For a copy of any reports submitted by: (a) the international co-ordinating committee on the Yukon river power and storage project, set up in 1950; (b) the joint economic committee under the chairmanship of C. H. Herbert; (c) progress reports of the Canadian section of the above international committees.

Mr. Winters: With respect to this order, may I say, Mr. Speaker, that in the fall of 1949 the government of the United States approached the government of Canada with reference to a project intended to develop hydroelectric power in Taiya valley, Alaska, by damming the Yukon river above Whitehorse and diverting the headwaters of the Yukon river into the Taiya river by way of two tunnels through the coast range. In the spring of 1950, the government of Canada agreed that it would co-operate with the United States government by looking into the implications and feasibility of this project in so far as Canada was concerned; and two officials of the Department of Resources and Development were designated to conduct liaison with officials of the United States government. Although no committee was formally constituted, this is doubtless what is referred to in the order as the international co-ordinating committee on the Yukon river power and storage project.

Preliminary surveys and studies on the Canadian side of the border made it progressively clear that these waters can be used in such a way domestically as to be of outstanding value in Canada's economy.

In March, 1951, therefore, the government of Canada informed the government of the United States that it was not prepared to continue with the joint investigation. The liaison arrangement to which I have referred was therefore discontinued and the only report prepared was by officials of the Department of Resources and Development to their superiors. Hon. members will, of course, appreciate that reports of this nature are not produceable.

Under the circumstances, perhaps the hon. member would agree to have the motion dropped.

Mr. Adamson: While the reports in question are no doubt privileged under our rules, nevertheless diversion of the Yukon river over the international boundary is of great importance to the whole economy of the Yukon and for that matter to a large section of British Columbia and Alaska. As it involves four governments, I should like assurance—and I think the minister has given me that assurance—that no commitment will be made to any of the other governments to divert the headwaters of the Yukon at any time, and that no agreement with the Aluminum Company of America will be made unless the fullest discussion is permitted here and in some committee of this

house. From what the minister has said, I think he is agreeable to that.

Mr. Winters: Mr. Speaker, perhaps I should say that to date no commitment has been given. It is most unlikely that any commitment of that nature would be given. I would not care to commit the government beyond that at this time, but I can assure the hon. member that no commitment has been given.

Mr. Speaker: Motion dropped.

PURCHASE OF NECKTIES

Mr. Hees:

For a copy of all contracts or agreements to purchase neckties, entered into by any department or branch of the federal government since January 1, 1951.

NATIONAL DEFENCE

CURRIE REPORT—DRAFT COPY

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, hon. members will recall how surprised I was on the afternoon of December 15 at the statement made by the hon. member for Winnipeg North Centre (Mr. Knowles). In the morning, with respect to the Currie report, I had stated, as reported at page 642 of *Hansard*:

My information is that there was no printed or typewritten copy of the report communicated to anyone in the department before this one. Whether or not drafts were made in Mr. Currie's office before he submitted the report, I do not know, but there was nothing communicated to the department until this report was received. Five copies of it were sent by Mr. Currie in the form in which it is now on the late afternoon of December 8.

That is the information I had at that time. It was information given to me by the Acting Minister of National Defence (Mr. Campney) who is the only person with whom I have communicated, or it was the only communication—with the exception of overseas communications with the minister himself—that I have had with anyone connected with the Department of National Defence. That was the information that the acting minister himself had at that time. When the hon. member for Winnipeg North Centre made in the house the announcement that he had in his possession a copy of a draft that had been produced by the same process—he called it a printed copy—which was used for producing the signed report and asked me to make inquiries about it, I hastened to give him the assurance that I would make the fullest possible inquiry, and expressed considerable surprise at the fact that any copy of a draft had found its way into anybody else's hands before the report had been submitted to the department. I have ascertained that the proper designation for the process by which this report has been produced is that of offset reproduction. I had inquiries made, and those inquiries disclosed that during the whole course of the investigation Mr. Currie and his representatives had been in communication with officers of the Department of National Defence, and especially the deputy minister, and were concerned as to the means of presenting a description of these irregularities at Petawawa in such a way as not to prejudice the rights of individuals in the judicial proceedings under way or intended in relation to the criminal acts at Petawawa. The inquiries also disclosed that Mr. Currie and his representatives discussed this matter with the deputy minister and that the suggestion was made that the deputy minister might go over the draft, when it was ready, and point out any inaccuracies in the facts reported which had been obtained from the department itself. The deputy minister mentioned this suggestion to the minister and the minister authorized him to go over this draft but told him to be extremely careful to make no comment about anything but the facts that had been obtained from the department.

On November 27—Thursday afternoon, I think it was—a representative of Mr. Currie brought a draft produced by this offset reproduction process, had some conversation with the deputy minister about it, and left it with him so that he might go over it and check the reporting of facts that had been obtained through information supplied by the department. After that—I do not know just at what date—the deputy minister mentioned to the minister that he had it and asked him if he wished to see it. The minister said no, that he wished to see nothing except the report when it was signed and produced. The deputy minister went over it during the week end and saw representatives of Mr. Currie on Monday, December 1. It will be remembered that that was the date on which the Leader of the Opposition (Mr. Drew), as reported at page 203 of *Hansard*, made in the house the following inquiry of the minister:

I wish to direct a question to the Minister of National Defence. Can he inform us when he will receive the report which we were assured was being prepared some time ago by Mr. Currie with respect to the administration of the Department of National Defence so far as it affects Petawawa camp?

The Minister of National Defence (Mr. Claxton) replied as follows:

I have not been in touch with Mr. Currie myself for some time but I am informed by the deputy minister that he has been in touch with members of Mr. Currie's staff, and that it is expected that the report will be available within the next week or two. It has not been made yet.

Mr. Drew: As a supplementary question, may I ask whether the government has received an interim report?

Mr. Claxton: No.

That was the situation. The minister knew that there was a draft that had been communicated to the deputy minister and expected that it would be a report within the next week or two, and he gave that information to the house. The deputy minister informs me, through the acting minister, that on December 1 he made to representatives of Mr. Currie representations as to what appeared to be some errors in fact in that document as follows:

(a) At page 4—The tense used in describing the actions of the chief auditor and the quartermaster general was almost throughout the present tense. It was pointed out that this paragraph apparently had reference to the state of affairs at the time of the irregularities and that the use of the present tense would be wrong. This observation was apparently accepted in the final report as signed and produced.

(b) At page 7—There was a paragraph stating that an army corporal had had a cottage built valued at $1,700 out of army materials and army labour for which no reimbursement had been received, or words to that effect. It was pointed out to Mr. Currie's representatives that this corporal had been prosecuted in the criminal courts in respect of this incident and had been acquitted. No request was made but this fact was brought to the attention of Mr. Currie's representatives. In the report that was finally signed and produced there is no such paragraph.

At page 7 it is pointed out that the child's rocking horse to which reference was made had been constructed not at Petawawa but elsewhere and that this perhaps did not belong in the recital of irregularities at Petawawa. Mr. Currie's representatives replied that the man who received this rocking horse had been stationed at Petawawa, and that it had been mentioned in the trials. No action was taken on that representation. Then on page 8 in reference to Tucker creek, the investigators were asked whether they had received the official explanation of the army of the purpose of this dam, which they said was for fire fighting purposes. They replied that they had received that explanation but apparently it did not impress them.

Some hon. Members: Oh, oh.

Mr. St. Laurent: I want to disclose everything I have been able to ascertain, and I am doing so conscientiously and to the best of my ability.

[Mr. St. Laurent.]

On page 10 there is reference to an overall shortage of 18,000 bags of cement. It was pointed out by the deputy minister to Mr. Currie's representatives that during the investigation they had mentioned to a number of persons in the department that that investigation had reduced this unexplained disappearance to something like 2,000 to 3,000 bags, which they had stated should not be regarded as unusual. They replied that they had rechecked and that they persisted in their view that there was an unexplained shortage of 18,000 bags, and I think that still remains in the report.

The deputy minister pointed out that on page 13, in listing the unobserved regulations there were two, No. 10 and No. 28, which appeared to be the same thing mentioned twice in somewhat different terms. They took note of that, and in the result there is only the original No. 28 which remains; No. 10 was eliminated.

Mr. Knowles: Has the Prime Minister these items, and can he put them on the record at this time so that the house will know the terms of the two items to which he makes reference?

Mr. St. Laurent: I am making a statement which will be reproduced in *Hansard,* and that I think is a sufficient record of what I have been able to ascertain.

Mr. Knowles: I merely meant, did the Prime Minister have the former No. 10 and the former No. 28?

Mr. St. Laurent: No, I have not; because the draft that had been shown to the deputy minister—and there was only one copy of that draft, to the best of the knowledge of the deputy minister, that went to anyone in the Department of National Defence—remained in the possession of the deputy minister only up to the time that he handed it back when he got the signed report. The information he has given me is information from his recollection of what took place, because he did not have the first draft before him when that information was given for me to the Acting Minister of National Defence. But I understand that the hon. gentleman has the original draft, and he can see just how No. 10 and No. 28 were phrased in the original draft.

Mr. Knowles: I will place it on the record later.

Mr. St. Laurent: On page 16, in reference to the engineering effort, the draft indicated that expenditures in 1952-53 would aggregate $250 million for construction. The deputy minister pointed out that such an expenditure in 1952-53 was larger than that contemplated

for all three services, army, navy and air force combined, and that these figures had reference to the construction plan approved in 1952-53 that would take several years to complete. There was some change in the language referring to page 16, but, as I read it, it still gives the impression that $250 million was in the program to be carried out in 1952-53.

On the same page it was pointed out that the departmental estimates of the investment in plant and buildings of the army would more closely approximate $750 million than $950 million, and apparently in the final report as signed it is the figure of $750 million which appears.

The best information the deputy minister has is that there was only one copy of this draft delivered to anyone in the Department of National Defence, and that copy was returned to Mr. Currie's representatives when they delivered the signed report, and had remained in the possession of the deputy minister in the meantime. That would seem to indicate that the copy which is in the possession of the hon. member for Winnipeg North Centre could not have come from the Department of National Defence.

In order that no suspicion may rest of anything underhanded about this having been possible, perhaps the hon. member would enlighten the house as to when and how this copy came into his possession. I can assure him that inquiries are still being made on our behalf, but perhaps the hon. gentleman would have no objection to putting an end to these inquiries by himself giving to the house information in that regard.

Mr. Stanley Knowles (Winnipeg North Centre): With regard to the request the Prime Minister made at the conclusion of his remarks, may I say that I will consult the leader of this group, who received this document, and if he authorizes me to say anything further in regard to how it came into his possession, I will do so at the first opportunity. But may I now direct two questions to the Prime Minister, arising out of the statement that he has made? Can he say whether the deputy minister showed the draft report to the chief of the general staff or to anyone else in the department or in the service before making these comments to Mr. Currie's representatives? Also, can he say whether there was any discussion of the wording on page 17 of the report?

Mr. St. Laurent: My information is there was no discussion on the wording of page 17 of the report, and my information is that the deputy minister did discuss one aspect—I do not know whether he showed him the draft or not—with the adjutant general, having to do with his impression at that time that investigations had been started by the adjutant general's department into these irregularities before the receipt of this anonymous letter. The information I got was that the representatives of Mr. Currie were asked to see the adjutant general to ascertain whether or not an investigation by the department had been started before the receipt of the anonymous letter. Whether the draft was discussed with the chief of the general staff or not I am not in a position to say. I can make the inquiry and find out. The hon. member knows that all this difficulty at Petawawa had to do with a period antedating the appointment of the present chief of general staff to that position. It had occurred at a time when General Foulkes was the chief of general staff. I am not suggesting that there should be any responsibility for that situation resting on General Foulkes. I know that since the outbreak of the Korean war, and the coming into force of the North Atlantic treaty, General Foulkes had been obliged to be out of the country conferring with our allies for a large part of the time, and that practically his whole attention had to be given to the making up of the Korean contingents, and to the negotiation with our North Atlantic treaty allies. And it was for that reason that some months ago—and I will find out what date it was—the chief of general staff was appointed who would have more time to devote to the matters that had to be dealt with here at home.

Mr. Knowles: Would the Prime Minister permit me one other question? Is it a general practice to refer reports which are made on a particular administration to the heads of that administration before the report is presented?

Mr. St. Laurent: I cannot say what is the general practice. I have never been an investigator. I was quite surprised to learn that this investigator had felt that it was the proper thing to be done. But apparently it was a consequence of the fact that very much of the information upon which the report was to be based had been obtained from the department, and that the investigator had received from the department, as the minister had requested, the fullest possible co-operation, as he expressly states on the first page of the report. And, having received that information through departmental sources, it is perhaps not unnatural that he should have wished to have at the last moment the accuracy of figures checked at the source from which those figures had been obtained by his representatives.

Mr. Green: Does the Prime Minister think it was the proper thing to do?

Mr. St. Laurent: Now, I would not like to express any opinion as to the propriety or impropriety of the conduct of Mr. Currie. He was appointed because of the reputation he enjoys. He has had in that field much greater experience than the hon. member for Vancouver-Quadra (Mr. Green), or than I have had. And it is the intention to have the report, together with the memorandum of the chief of the general staff, referred to the committee on defence expenditures for such action as the committee may see fit to take. I would be surprised if they did not wish to have Mr. Currie before them; and I think there that question can be gone into.

There are other questions that I would be very curious to have gone into, and that is when this report was actually signed. It bears the date of November 26. The draft that was in the hands of the deputy minister was not a signed draft. There was no signed draft that got to the department until December 8. I would be curious to know when actually the report was completed and signed by Mr. Currie; but I have felt it would be improper for me to communicate with Mr. Currie. I will be very careful not to do anything that any hon. member could look upon as interference.

Mr. Drew: Mr. Speaker, I would draw the attention of the Prime Minister to the fact that in explaining the changes which did take place he has not explained the circumstance under which the words "at or near the top" were replaced by other words.

Mr. St. Laurent: There I have no explanation to offer, and I am informed that the department has no explanation to offer—that those words were not discussed between Mr. Drury and Mr. Currie's representatives on the 1st of December.

Mr. Drew: Has the Prime Minister any information as to the first date upon which this document described as the offset reproduction was first discussed with the chief of general staff?

Mr. St. Laurent: I do not know that it was discussed with the chief of general staff. I do not know. But I do know that the deputy minister had it for his consideration over the last week end of November, and he made his comments to the representatives of Mr. Currie on the Monday, December 1.

Mr. Drew: And then, do I gather from the Prime Minister's words that he had discussed with the minister the fact that this offset reproduction was being considered at that time before he discussed it with Mr. Currie?

[Mr. St. Laurent.]

Mr. St. Laurent: Yes, he had, before he got it, been authorized by the minister to go over it. After he got it, my information is that he told the minister that he had it and asked the minister if he wished to see it. The minister said, "No, I do not want to see anything but the report itself when it is signed and filed with the department."

Mr. Drew: Then, so that there will be no misunderstanding, the deputy minister at that time explained to Mr. Currie that he had received the offset reproduction of the report, and that it was being considered at that time for the purpose of making any factual corrections that might be considered appropriate; is that correct?

Mr. St. Laurent: No, I would not take it that that is actually correct. There had been received an offset reproduction of a draft which appeared to be complete. Now, whether or not that was going to be the report was not stated. What was being done was to consider this, and to check the statements of facts that it contained on information that had been obtained from the departmental officials. It was expected, I have no doubt, that that, with such modifications as the commissioner might find it appropriate to make, before he signed it, would be the report. And that is why the minister said that he was informed by the deputy minister that it should be available within a week or two.

Mr. Pearkes: May I ask the Prime Minister a question? The Prime Minister intimated that Mr. Currie could be called before the defence expenditures committee, if they wish. Would he also say whether the chief of general staff could be called before that committee?

Mr. St. Laurent: Well, the hon. member has an advantage over me. I must confess that I am quite ignorant about army regulations and army set-up. I am not giving any permission to call Mr. Currie. I am merely stating that I would imagine that the committee would want to call Mr. Currie. And perhaps it will wish to call the chief of general staff—and I would be surprised if the chief of general staff were not anxious to go before the committee.

Mr. Drew: Mr. Speaker, so that we will not leave this matter with any uncertainty, as I understand the explanation that the Prime Minister has given, a representative of Mr. Currie's office brought a copy of the report and that was the copy which was under consideration—

An hon. Member: A draft.

Mr. Drew: That was the copy that was under consideration during the first week end of November.

An hon. Member: The last week end.

Mr. Drew: I am sorry, the last week end in November. Will he indicate which minister authorized the deputy minister to take the steps he described.

Some hon. Members: No.

Mr. Drew: I would point out to the Prime Minister that the copy under discussion is not an office copy from Mr. Currie's office, but would appear, from the descriptions that have been given to this house by the hon. member who introduced the subject, to be a similar printing and in fact an exact printing except for those pages where changes have been made.

I would suggest that this would indicate quite clearly that the offset reproduction, to use the term which the Prime Minister has used, was in fact a reproduction by the same printing presses that turned out the final copy and that there had not only been the office copy from Mr. Currie but that somebody had already authorized the printing of that copy prior to the time the deputy minister had examined it and had received permission during the last week end of November to make certain representations to Mr. Currie. I ask the Prime Minister for information on what appears to be a fairly obvious presentation of the situation.

Mr. St. Laurent: I am not going to make any comments on the implications that the hon. gentleman finds in what I have stated. I have stated as fully and as frankly as I could what are the facts. I do not know whether this offset reproduction process was carried out in Mr. Currie's office. I know that there are many business offices which have this offset reproduction process, just as there are many more which have the multigraphing system. What I do know is that the draft that was brought was something that looked like the document that was finally signed and that has been tabled in this house as the report. Evidently it was something that had been produced by the same process as the thing that became the report and has been tabled. Whether that was produced in Mr. Currie's office or produced outside Mr. Currie's office, I do not know.

Mr. Drew: I wish to clarify this. As I understand it, then, the only changes that were contemplated and in fact that would be permitted under such an arrangement would be changes of essential facts following a discussion in regard to those in the manner described, and that this first draft that was presented was recognized as the report, subject to those corrections that would be made from a factual point of view to the copy.

Mr. St. Laurent: I did not understand it in that sense at all. Speaking from my own experience with respect to the speech from the throne, we get prints and we consider the speech from the throne as it is in that printed document. Frequently there are two or three of those prints before the speech is submitted to His Excellency as the recommendation for the speech which should be made. Now what was Mr. Currie's intention, what personal work he put on this draft before it got to the deputy minister of national defence, I do not know. What I know is that the suggestion was made that the deputy minister go over it to check the facts and to check that aspect as to whether or not it was going to be embarrassing to the prosecutions or would affect the rights of persons who had been, are being or were going to be prosecuted.

The deputy minister's representations were made to two of Mr. Currie's representatives on the 1st of December. Nothing further was heard until December 8 when a representative of Mr. Currie came forward with five signed copies and delivered them and the deputy minister then returned this offset reproduction draft that he had had in his possession since November 27.

Mr. Drew: Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. St. Laurent: I do not think I should be obliged to precise the hon. gentleman's understanding. I have said everything I can say and he must draw his own conclusions from it.

Mr. Drew: Mr. Speaker, the Prime Minister will decide just how much information he will give in regard to a subject about which we know a great deal.

Mr. St. Laurent: I will give all the information I can get. I have said I have done that. I am not going to try to agree or disagree with any paraphrasing the hon. gentleman may choose to make.

Mr. Drew: Mr. Speaker, both on a question of privilege and to continue the examination of this, I point out that there has been no paraphrasing.

Some hon. Members: Oh, oh.

Mr. Drew: I point out that there has been no paraphrasing and that I have been seeking to obtain information in regard to a most important matter. I point out to the Prime Minister that at the time the Minister of

National Defence (Mr. Claxton) said that he had received no recommendations or suggestions, written or oral, he was aware that this actual offset reproduction was in the possession of the department and being discussed.

NEWFOUNDLAND DEFENCE PROJECT—
MAINTENANCE OF ROAD

On the orders of the day:

Mr. G. F. Higgins (St. John's East): I wish to direct an inquiry to the parliamentary assistant to the Minister of National Defence or the acting minister. On Monday I asked the acting minister if any notice was being taken of damage to roads in the municipality of St. John's by national defence projects. The acting minister was going to answer later. Would the parliamentary assistant be able to answer it today?

Mr. J. A. Blanchette (Parliamentary Assistant to the Minister of National Defence): Unfortunately, no, but I will take the matter as a further notice.

HOUSING

DOWN PAYMENTS ON HOMES

On the orders of the day:

Mr. P. T. Hellyer (Davenport): Mr. Speaker, I should like to ask a question of the Minister of Resources and Development. Would he care to comment on a newspaper article stating that the first step has been taken to reduce the down payment on N.H.A. homes to 10 per cent?

Hon. Robert H. Winters (Minister of Resources and Development): Mr. Speaker, as the hon. members know, there is a 10 per cent down payment arrangement obtaining now on houses for defence workers.

This applies to defence workers who are employed in plants certified as defence plants by the Minister of Defence Production (Mr. Howe). The down payment on joint loans was reduced some time ago to 20 per cent of the agreed sale price and the government has no plans now for changing that general arrangement.

CANADIAN BROADCASTING CORPORATION

SPECIAL COMMITTEE—INQUIRY AS TO APPOINTMENT

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I direct a question to the Minister of National Revenue. Will the government take steps leading to the appointment by the house of a special committee of the house at an early date to review the report and operations and policies of the Canadian Broadcasting Corporation?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, the government have no objection to following that course and I will place the matter before my colleagues immediately.

SHIPPING

UNITED STATES PORTS—
INQUIRY AS TO SCREENING OF SHIPS' PERSONNEL

On the orders of the day:

Mr. Angus MacInnis (Vancouver East): I should like to direct a question to the Secretary of State for External Affairs (Mr. Pearson), but as he is not in his place this morning I would pass the question on to whoever is acting in that capacity. Has the government made any representations to the government of the United States in regard to the new policy adopted in that country of screening of personnel of foreign ships entering the United States ports before they are allowed to land? I am prompted to ask this question because of representations made to me by sailors and others on the Pacific coast.

Hon. W. E. Harris (Acting Secretary of State for External Affairs): I will take the question as notice and the answer will be given later.

FERRY SERVICE

YARMOUTH-BAR HARBOR—PERSONNEL OF SPECIAL COMMITTEE

On the orders of the day:

Mr. A. M. Robichaud (Gloucester): I should like to ask the Minister of Transport what are the names, addresses and occupations of the members of the special committee, referred to by the minister in his speech of December 15, as reported on page 654 of *Hansard* of that date, established by—

Some hon. Members: Order.

Mr. Robichaud: —the hon. minister's department to study the economic and operative features of the Yarmouth-Bar Harbor, Maine, ferry?

Mr. Speaker: Order. That is the type of question usually put upon the order paper.

CANADIAN PACIFIC RAILWAY

KOOTENAY DIVISION—PROTECTION FOR TRAIN CREWS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct a question to the

Minister of Justice. Have any recent representations been made to the federal government asking the government to provide protection for train crews in the Kootenay division of the Canadian Pacific Railway Company? If so, will the minister inform the house what the government's intention is with respect to these representations?

Hon. Stuart S. Garson (Minister of Justice): I thank my hon. friend for having given me notice of his question. The answer is no.

POSTAL SERVICE

TWICE DAILY MAIL DELIVERY

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): I should like to address a question to the Postmaster General. Has the Postmaster General or his department given any consideration to the demands of business and private individuals for the return of two deliveries of mail a day in cities?

Hon. Alcide Cote (Postmaster General): I am glad to refer my hon. friend to the statement I made at the last session on the same subject. This question is still under consideration.

Mr. Fraser: Is that as far as you have got?

RURAL MAIL DELIVERY CONTRACTS

On the orders of the day:

Mr. L. E. Cardiff (Huron North): I should like to direct a question to the Postmaster General. In view of the fact that new legislation is coming forward with respect to rural mail delivery contracts, has any consideration been given to contracts which are now expiring and are up for tender before the new legislation is passed?

Hon. Alcide Cote (Postmaster General): Mr. Speaker, I hope eventually, and at not too distant a time, that I will be in a position to make a statement which will satisfy my hon. friend.

RESALE PRICE MAINTENANCE

LEGALITY OF PRICE SUGGESTION BY SUPPLIER

On the orders of the day:

Mr. William Bryce (Selkirk): I wish to direct a question to the Minister of Justice. It is based on a tobacco tin which I sent to the minister this morning on which it says: "Suggested price $1.30". Is this legal in view of the legislation passed last Christmas?

Hon. Stuart S. Garson (Minister of Justice): I thank my hon. friend for having given me notice of his question. In reply, it is not an offence for a supplier merely to suggest a resale price so long as he does nothing else which could be construed as intended to require or induce the vendor to maintain such price, or as having that effect.

LEGISLATION

REFERENCE OF CERTAIN ACTS OF QUEBEC LEGISLATURE TO SUPREME COURT OF CANADA

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 Justice. Has the government considered referring certain acts of the Quebec legislature, particularly one authorizing the seizure of vehicles transporting certain products, to the Supreme Court of Canada in order that that court might decide on the constitutionality of such legislation, having regard to such matters as interprovincial trade? Is so, what is the result of such consideration?

Hon. Stuart S. Garson (Minister of Justice): This question in substance, although somewhat different in form, is the same as the question which was asked by the hon. gentleman's leader on December 10, and which I refused to answer at that time upon the grounds that are set out in *Hansard*. With respect to the question in its present form, I would say that in all matters of this kind the government's decision is announced when it is taken, and in the meantime no member of council, as I understand it, has any right to disclose what is being considered by the government. Indeed, I have sworn not to disclose such information, and I think my hon. friend has no right to ask me to divulge it.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, December 16, consideration of the motion of Mr. J. L. Deslieres 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. Argue.

(Translation):

Mr. L. E. Roberge (Stanstead): Mr. Speaker, although I am not a disciple of Themis, I would like to make my little contribution to the debates of the house. But first, I wish to offer my sincere congratulations to the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne. The excellent way in which they fulfilled the duty entrusted to them honours their constituents. That is why I make it a point to congratulate them.

Mr. Speaker, in the dark hours in which the people of this country and of other peace-loving nations are living, we are confronted with an atmosphere of tension and suspense, resulting, as we all know, from Russia's subversive activities. It is therefore essential that we consolidate our strength, tighten our ranks, and keep together—and I am thinking more particularly of the democratic nations—if we want to survive.

As for the country in which we are living, its history is one of the most fascinating; it is to the self-denial and hard work of our ancestors that we owe our liberty. This heritage must be preserved by us and handed over, in the years to come, to our children so that they may, in turn, preserve this liberty which is so dear to us.

Some of our sons are now fighting in Korea in the defence of that liberty. We also maintain in Europe another contingent, ready to answer the first call in the defence of our liberty. But when we ask these young men to go and fight for their country, they must be sure that they have a country, a town, or a village where their families are living, to fight for. They must also be convinced that our way of life is worth fighting for, as, in order to make those sacrifices, their morale must be excellent and they must tend towards an ideal which incites them to fight for this liberty.

Listening to the promises which certain members of the opposition are making in order to win public favour, many are under the impression that they have to rely entirely for their subsistence on the planning of social security by the state. This conception of the role of the government, which is shared by a large number of people, goes back to the history of Rome where it was believed that any problem could be solved by saying: "Give them bread and games!" Of course the idea that the government is ready to support the people in every field is quite attractive. On the other hand, such a system is bound to encourage shiftlessness, an unacceptable state of affairs in a democracy such as ours. Bread and games, that is all very well, but how do we go about it when these very people cry out against regimentation whenever the government, for example, decides to control certain aspects of industry? We must not forget either that the establishment of controls throughout the various branches of our social security system would entail the loss of our freedom, the undoing of the rights of man and of private enterprise. In other words, we would fall victim to a dictatorship.

This liberty which we all cherish cannot, of course, nourish us in the sense that our faith, our honour or our honesty do, since these enable us to hold our heads high and walk proudly everywhere we go. It cannot bring us the advantages or consolation of our religion.

We may experience sublime feelings in believing in the Supreme Being. All these things help us support the trials of life; in fact life would be very monotonous if we did not have these wonderful things to help us live it through.

It is to be noted that a nation living under a great number of government controls feeds itself on a rather bitter bread. In my opinion, democracy should be based on wisdom, moderation and a great charity toward one's neighbour.

And now, Mr. Speaker, I should like to refer for a moment to the difficulties with which we are faced today. The ship of state, having at its helm such a fine captain as our present Prime Minister (Mr. St. Laurent) will manage, I am sure, to see its way through.

Several electors have sent me their requests for an increase in family allowances. Owing to the increase in the cost of living and present circumstances, these claims may seem to be justified, but I still rely on the sound leadership given by the Right Hon. the Prime Minister, and his colleagues.

I noticed yesterday that a number of our opponents seemed somewhat worried, more worried, I would say, than the crew of the ship which has the Prime Minister at its helm. Last night, the Minister of Justice (Mr. Garson), in his capacity as Acting Minister of Finance, gave us such a good account of our taxation system that the members of the opposition were left worried and had to realize that we have men who are able to discharge any responsibility at any time. I am sure that, under the able guidance of the Prime Minister and his cabinet, all social security measures that are conducive to the welfare of our people will be initiated in due course.

Mr. Speaker, I wish to call your attention to a matter of vital importance to our district. Western farmers, through their members of parliament, have managed to get a lot of assistance in order to carry on their farming

activities. I believe the time has come to look after the eastern farmers who, to my mind, are in a far more difficult position. As a matter of fact, mixed farming in eastern Canada is especially difficult as it requires continuous supervision, whereas the western farmers have only one branch of farming to look after and thus can become highly specialized farmers. Conditions are widely different in the province of Quebec, and especially in my own county, where our very active and very industrious farmers have to look after a lot of things.

Nowadays, to be a good farmer, one practically has to be a botanist, enough of a veterinarian to take care of one's cattle, enough of a businessman to sell one's crop. All of those things contribute to make life in the country a very hectic one. If things go well on the one hand, but are pretty bad on the other, the farmer must, in order to succeed, keep on striving to balance the over-all situation.

The embargo our friends to the south have imposed at the news of the outbreak of the famous hoof-and-mouth disease has hit my constituents a very hard blow. My riding being adjacent to the American border, our farmers, like those of most of the eastern townships, were engaged in a fairly remunerative business with the United States. The application of that embargo has forced us to adopt new methods and the prices of our products, including vegetables, have come down, the fall having been extremely great in the case of beef and pork, while the price of feed has, in the meantime, risen sharply. In my opinion, our farmers, though somewhat discouraged by those hardships, have cut a good figure and weathered this magnificently.

By the way, I wish to congratulate the Minister of Agriculture (Mr. Gardiner) on the clear-sightedness he has shown in signing with Great Britain and New Zealand agreements which are highly favourable to marketing of our meat in those countries. The market thus open to some of our animal products has been a great help to our farmers but unfortunately the prices of feeds were so high and the market so low that our farmers have more or less found themselves with their backs to the wall. I call the minister's attention to this anomaly in the hope that he may be able to correct it.

Mr. Speaker, it being one o'clock, I move the adjournment of the debate.

At one o'clock the house took recess.

The house resumed at 2.30 p.m.

Mr. Speaker, just before the recess, I was talking about the agricultural problems of my constituency. I was telling you that the price of farm products was not consistent with that of equipment, machinery, seeds, feed, etc., that our farmers have to buy.

Above all, I wish to draw your attention, Mr. Speaker, to the very sad incidents which took place in my constituency. When the embargo on cattle was put into force, two of our good farmers, conscious of their duty, had some of their cattle grazing along the border. These animals had the misfortune of breaking the fence and of crossing the border. Since the embargo was in force, the American authorities seized them and took them to the slaughterhouse. In one case especially, the animals had gone but a few steps across the border when the U.S. authorities seized them; one of the neighbours of the farmer involved offered to bring his animals back, but unfortunately, the die was cast and the old Latin motto *dura lex sed lex* was applied.

I would like to ask the government, and especially the Right Hon. the Minister of Agriculture, to take into consideration these two very regrettable cases and to compensate, in some way, these two unfortunate farmers. I am convinced that this problem will be brought to the attention of the minister concerned and, once the embargo has been lifted, in a few months, I hope that some arrangement can be made to the satisfaction of the farmers involved.

(Text):

Mr. Speaker, there is one class of people with whom I sympathize greatly; I refer to the blind, those who have lost their sight. It is true that today they have a certain amount of relief in the form of a pension but unfortunately there is a means test in connection with this pension. I do not quite understand how this means test is applied. The blind person who is in normally good health and can look after himself to a certain extent receives his pension and, because of his ability, undertakes to do some kind of work. When his return from it comes to a certain amount, it is taken from his pension. I do not think that is a desirable state of affairs. On behalf of the blind I wish to place before this house a request that the government reconsider these regulations and amend them in such a way that this means test for the blind will be abolished.

Another matter that I should like to bring to the attention of the house is that of exemption on income tax for students. When I spoke in the house last, I mentioned that matter and requested that an exemption on income tax be made for senior students in colleges and universities and that the age limit be increased from 18 to 25 years of age. We all understand the situation. Many of our people have boys and girls who, after attending school for eight or ten years, enter high schools and universities; and that is where expenses accumulate fast. I hope the minister concerned will give consideration to a new ruling that might be put into effect and providing for exemption on income tax for students and that the limit be brought from the present age up to 25 years. Naturally these exemptions would not be given freely but probably under certain regulations prescribed by the department requiring that these students have a certificate or sworn statement from the college they attend, which statement would be taken into account. I hope that suggestion will be given consideration.

In the Massey report we find that a national library has been advocated, and I am pleased to hear that it is taking form. Along with this I should like to suggest to the government another form of scientific institution, namely a kind of national arts and sciences council which would work in co-operation with the national library and with the national research council. The idea of this national arts and sciences council would be to create something of our own—in other words, something really Canadian—which we should have. For centuries we have been copying music from Germany such as the works of Beethoven, Bach and so on and we have been copying paintings from various other countries. I think it is about time that our own country, Canada, stood on its own feet. As we are growing and are becoming, as one might say, of age, we ought to be able to produce something that is really Canadian.

Mr. Speaker, I do not want to spend too long on this subject, but in order to implement this idea, I might suggest that throughout the country we have many teachers in high schools, universities and so on who are pensioned off. They are still available to do fine work and they could be employed on this national council to the great benefit of the country. They might be engaged in the arts of various kinds such as sculpture or music and in the sciences of various sorts. I think those teachers would be a great asset to the country if they could be permitted to carry on their work. When they reach the age of 55, 60 or 65, many of them could work for at least another ten years, having a small pension. They would be interested in these high sciences and in trying to create something that is really Canadian. I put this suggestion before the house so that it may be kept in mind when the national library comes into being.

In order to follow up this suggestion and to have good understanding throughout the country, in our schools in Quebec we generally teach two languages. This is done in order to learn the views of our fellow Canadians and to create a better understanding throughout the country. We are now able to telephone from one coast to the other, and in a few years' time we may be able to see each other from coast to coast. Therefore, I should like to suggest that in the English-speaking schools where they now teach foreign languages, a preference be given to the teaching of the French language, thereby creating a better understanding of the east and the west. If the English schools in the west would do as we do in Quebec, a better spirit would be created in the whole country. We know very well that those of each nationality are proud of their ancestors, and that is as it should be. We who are of French descent are proud of our French ancestors, as the English, the Scots and the Irish, or whatever they may be, are proud of theirs. The mother tongue must be taught first and fully; that is understood. As an alternative, if the students in other parts of the country who are learning some of the foreign languages that they may not use for years and years would give a little preference to the French language it would make for a better understanding and spirit throughout the whole country. I recommend that the schools and universities that are today teaching foreign languages take my suggestion under advisement and implement it in the very near future.

In closing, it is my hope that what we shall read in the newspapers in the next few weeks that peace on earth and good will to men is being meditated upon by all thinking people throughout the democracies and other countries, and that peace will prevail in the world.

Mr. G. R. McWilliam (Northumberland, N. B.): Mr. Speaker, it is my wish and desire to follow the time-honoured custom and extend congratulations to the mover (Mr. Deslieres) and seconder (Mr. Schneider) of the address in reply to the speech from the throne. They both did credit to their constituencies and to themselves.

I wish to use the time allotted to me to try to bring to the attention of hon. members certain problems that face the maritime provinces generally, and in particular Northumberland, the constituency that I have the honour to represent.

Much has been said in this house by maritime members about the centralization of industries, and in this regard I also wish to impress upon the government that if the maritimes are to continue as an important part of Canada, the establishment and development of industries must be considered as vital to the economy, yes, vital to the very existence of the maritimes, which have given so much in the past and made so many sacrifices toward the development of central and western Canada.

While it is appreciated that we live in a country of free enterprise, nevertheless it is the government's duty to assist existing industry and to aid in the establishment of new industry and the development of power in sections of Canada where the economy is seriously threatened, as is the case in the maritimes.

The people of the constituency I represent recognize the need for large expenditures of money for national defence both at home and abroad. They are not unmindful of the employment provided by the construction and expansion of the Chatham jet operational and training base, the Renous naval ammunition depot and the St. Margarets radar station. Northumberland is the only constituency in Canada that embraces all three of these major defence installations. However, from a long range economic point of view, industries are needed to secure the future economy of the Miramichi. Hydro power is vitally needed in the province of New Brunswick to supply the requisite to the establishment of industries.

Like many other constituencies, Northumberland has local problems of grave importance which do not receive much attention on a national level. True, these problems to a large extent are left to our free enterprise system, or to provincial and municipal governments. The establishment of industries on the Miramichi to permit the manufacture of wood products such as pulp and paper mills, rayon mills, and other types of plants producing commodities made of wood, is looked upon as the only security of our future.

A former government of the province of New Brunswick was instrumental in having the Fraser companies erect a large pulp mill in this county. The public, the owners of the crown lands, have strong feelings in this matter and consider it only right and just that lease holders of large sections of crown woodlands should fully process, locally, the wood taken off the lands under lease.

Canada has had a large immigration increase and I again request the Department of Citizenship and Immigration to place new Canadian farmers on abandoned farms in New Brunswick, in an effort towards increasing farm products. Defence construction has been the largest single factor in the employment situation in Northumberland for the past four years. History has proven that markets for lumber, pitwood and pulpwood can be lost overnight. Now is the time to plan and establish industries and farming on a permanent basis.

Since the first settlers engaged in shipbuilding and the export of squared timber to Great Britain, Northumberland's chief industry has been lumbering. The fishing industry has made great strides in late years in the processing, grading and marketing of its products. It is hoped that further strides will be made with an increase in the number of draggers in the Miramichi fleet and the erection of cold storage plants, together with improved conditions in all phases of the industry. The Miramichi river, which flows for a hundred miles through the centre of the constituency of Northumberland, provides world famous delicacies of fish, among which are lobsters, oysters, salmon, smelts, clams, quahogs, and other species, as well as many standard varieties. Despite the many kinds of fish that live in the waters of the Miramichi river there are seasons when the catch is small owing to conditions beyond control. The maritime fishermen, like the western wheat farmers, run into bad weather, destructive storms, poor harvests and adverse market conditions. However, unlike the wheat farmers, they do not present a sad tale to parliament. They have suffered their losses of nets and gear, to say nothing of their catch of fish, and have relied on their determination to carry on—not on a vote of financial assistance from the government to recoup their losses. Believe me, Mr. Speaker, eastern fishermen work long and hard, year after year, against adverse elements to eke out a livelihood. They, as true Canadians, are worthy of every assistance.

The fishermen of the maritime provinces are entitled to the same degree of protection and assistance that is given to other classes of Canadian producers. With this thought in mind, I supplement my appeal made in the house on June 12, 1951, to the new Minister of Fisheries (Mr. Sinclair) and the government, to take immediate steps to provide protection for the future of the smelt fishing industry of the Miramichi.

Further improvements of wharf and harbour facilities are needed on the Miramichi river for the fishing and wood products trades. I appeal to the government to give further consideration to my requests for improved facilities for certain small groups of fishermen along the shores of the Miramichi bay and Miramichi river.

In this regard I wish to commend the Minister of Public Works (Mr. Fournier) and the Minister of Fisheries (Mr. Sinclair), and their officials, for the improvements already made, and again ask that consideration be given to requests made for further facilities.

While the smelt fishing industry of the Miramichi faces an insecure future unless additional protective measures are taken, the lobster fishing industry of the east coast of New Brunswick faces a more serious threat. Poaching of lobsters on the east coast of New Brunswick, if continued at its present tempo, can only lead to the loss of the industry in the years to come, with subsequent economic disaster.

Undersized and "berried" lobsters are poached by the thousands of pounds every year. The vast majority of the lobster fishermen are law-abiding citizens. Are they to stand by and watch a very small minority destroy their future livelihood? Additional water and land patrols are needed to cope with this situation. A rigid check must be maintained. Destroy the illegal markets and poaching will stop.

Reports are also heard of alleged illegal and wholesale taking of salmon, grilse and trout at the heads of Miramichi rivers and streams during spawning seasons. It is alleged that groups from outside Northumberland county take canning outfits to the spawning grounds, clean out the pools, and can the illegal catch. I urge the Minister of Fisheries to supplement protective measures, and eliminate these grim reapers by providing adequate protection.

A number of fish exporters of the Miramichi have expressed the opinion that Department of Fisheries inspectors of oysters, smelts and alewives make a much more rigid inspection in the Miramichi area than do officials in other parts of the province. The Miramichi fish exporters feel that the crux of the situation lies in the interpretation of the regulations and the individual differences in applying them.

At this time I wish to make a request of the Minister of Fisheries that departmental officials meet with Miramichi fish exporters and members of the Miramichi fisheries advisory council to discuss inspection and grading matters.

Once again I urge the Department of Fisheries and the government to give consideration to the setting up of a form of contributory storm-loss insurance, to protect maritime fishermen against loss of gear and nets by storms that are placed in the category of acts of God.

Direction is needed in setting up a contributory system of insurance; and I feel that this direction and assistance should come from the federal Department of Fisheries, in conjunction with the provincial governments.

Before I leave the important matter of fisheries, Mr. Speaker, I wish to make an appeal to the Minister of Fisheries that immediate and full-scale action be taken to rid the Miramichi waters of great destroyers of fish, namely the seals. They not only destroy the fish, they also destroy nets; and their numbers are increasing each year. This is a most serious situation, and adequate measures should be undertaken now to eliminate these marauders.

I wish at this time to congratulate our Minister of Fisheries on his recent appointment. The people of the maritimes know of his many qualifications, his initiative, and his keen desire to bring his department up to the level it should have as an important department of the government. New Brunswickers feel that the maritime fishing industry will make many advances under the new minister.

At this time, Mr. Speaker, I wish to express the thanks of the people of Northumberland, and in particular the thanks of the citizens of Newcastle, to the Minister of National Defence (Mr. Claxton) for selecting Newcastle as the site of the first post-war armoury in the province. Newcastle is a focal point of military strategic importance. It is surrounded by three major defence installations, among the largest of their kind in Canada. The selection of Newcastle was well warranted, and I am pleased to say that the armoury will be completed very soon.

On a comparison with cities and towns in New Brunswick, the Miramichi area ranks first in military importance in respect to defence installations. In regard to the future program for the erection of armouries I wish to point out that the town of Chatham is in dire need of armoury facilities. With a jet operational and training base located there, its proximity to the St. Margarets radar station should give Chatham top priority when the erection of additional armouries is being considered.

It has long been the maritime cry that we have a deplorable lack of electrical power which would serve as an inducement to bring industries into our provinces. Many hydro

developments have been suggested and it is hoped that surveys will be undertaken without further delay. The joint United States-Canada projects, in conjunction with the state of Maine and New Brunswick, such as the Saint John river power development, and the Quoddy power project as well as the St. Mary's-Shepody bay development are pressing matters. All of these should receive further consideration by the dominion government.

The people of the maritimes, generally, favour the construction of the St. Lawrence seaway and power project. They have proven in the past that they support any measure that is to the advantage of Canada as a whole. However, the maritimes should receive the same consideration as other parts of Canada in respect to the development of natural resources. Maritime developments should not be left in the wake of projects in other parts of Canada.

There is a most important matter of vital concern to the constituency I represent, a matter that affects every part and every citizen of the riding, about which I wish to make some remarks. This matter of concern is the 1953 production of pit-props, also called pitwood—a wood that is used in coal and salt mines in many parts of the world. I am glad to notice the hon. member for Gloucester (Mr. Robichaud) is in his seat. He represents the riding next to mine, and I think what I have to say will be of interest to him.

The Miramichi area of New Brunswick is the main source of production of pit-props, owing to the fact that there are large stands of jack pine in this area, a kind of tree that is most acceptable as pitwood, and which does not have very much commercial value other than as pit-props. The Miramichi area with its deep-water terminals is a natural outlet. Large amounts of money are derived by woodsmen, truckers and longshoremen from this industry, which plays an important part in the economy of the area.

In 1950 the United Kingdom withdrew completely from the Canadian market, on the basis that they were able to obtain their requirements from European sources at greatly reduced costs. Difficulties were encountered in 1951, and the United Kingdom returned to the Canadian market for some of their 1951 requirements.

Since that time very large purchases have been made from Canada. Up to the end of October of this year 306,719 cords of pitwood valued at $11,749,257 were shipped to the United Kingdom. It is estimated that close to 350,000 cords will be shipped to the United Kingdom by the end of the year.

In addition it is expected that exports of pit-props to West Germany will reach some 25,000 cords, and that approximately 20,000 cords will be exported to Turkey by the end of this year.

For the ten-month period of January-October 1952, 13,112 cords at a value of $483,284 were shipped to Turkey and 18,741 cords, at a value of $776,913, were shipped to Germany. The figures just mentioned represent a total of $13,009,454 for the 1952 export of pit-props for the first ten months of the year.

The values of pulpwood exports for the first ten months of 1952 are:

United States	$45,406,987
United Kingdom	4,299,045
France	1,953,829
Germany	762,984
Netherlands	98,713
Switzerland	693,905
Italy	128,233
Turkey	158,473
	$53,502,169

The hon. member for Gloucester, speaking in this debate on December 1, said that for the first nine months of 1952 shipments of pit-props amounted to $1,812,902. This figure is for the month of September only.

The actual value of shipments of pit-props for the first nine months was $9,566,687. This amount is the highest value of pit-props that has ever been shipped in any nine-months period to any country; it is greater than the value of the total 1946 shipments, the previous highest year.

The member for Gloucester also erred in stating the value of exports of peeled pulpwood to the United Kingdom at $152,086. This figure is the value of shipments for the month of September only; the actual value of shipments of peeled pulpwood to the United Kingdom for the first nine months of 1952 is $2,279,051.

Again his figure of $6,507 as the value of rough pulpwood shipped to the United Kingdom for the nine-months period, January to September, 1952, is incorrect; the correct figure is $1,393,644.

The foregoing correct figures present an entirely different picture from the one the hon. member for Gloucester gave to this house on December 1. It is clear he was confused between the September figures and the total for the nine-months period.

I place the correct figures on the records as I feel that the member for Gloucester, a riding adjacent to the one I represent, must have compiled figures from an unofficial source. I feel sure that he does not wish to place incorrect figures on *Hansard*, thereby misleading the members of this house and the public.

The hon. member for Gloucester, speaking on the figures he placed on *Hansard*, said, as reported at page 227 of *Hansard* of December 1:

These figures, Mr. Speaker, are tragically eloquent in their significance to the pit-prop and pulpwood operators, to the woodsmen and farmers of the northern and eastern part of New Brunswick.

I say, Mr. Speaker, the correct figures are magnificently eloquent. The Miramichi 1952 pit-prop export season is reported as the largest in volume and dollar value in the history of the port. Latest reports for the 1952 season of pitwood exports to the United Kingdom from the Miramichi area show:

	Cords	Value
From Chatham and Millbank	28,225	$1,139,980
From Newcastle and Nelson	77,232	3,248,909
From Richibucto	9,503	393,820

1952 pitwood exports to European countries, not including the United Kingdom, were valued at:

From Newcastle and Nelson, $227,628; from Chatham and Millbank, $39,527; from Richibucto, $166,337; from Buctouche, $339,153.

Latest reports for the same area for 1952 exports of peeled and rough pulpwood to the United Kingdom and United States show:

Chatham and Millbank, $380,640; Newcastle and Nelson, $370,833; Richibucto, $643,018; Buctouche, $623,687.

I place these figures on *Hansard* because I feel there are many people in all parts of the maritimes who would like to see them, particularly in view of the fact that many newspapers have carried different sets of figures which in most cases were incorrect.

I wish to speak now about another industry in Northumberland county, the Christmas tree industry. Christmas trees to the approximate value of $325,000 were shipped to United States by rail and highway from Chatham, Newcastle and adjacent points on the Miramichi. This industry, a seasonal one, operates during the months of October, November and December and plays an important part in the economy of Northumberland. By proper cutting and rotation the small fir trees that grow on the Miramichi can furnish the Christmas tree markets for years to come, from which can be derived substantial revenues.

The year 1952 being the largest export season for pitwood and pulpwood in the life of the Miramichi, together with the long lumber and the fishing industries, the Christmas tree industry and large-scale defence construction programs of millions of dollars, with other phases of industry and business enjoying an accelerated pace, resulted in Northumberland reaching its peak year.

[Mr. McWilliam.]

The present outlook for 1953 points to a drop in quantity and per cord price of pitwood for the U.K. market. Scandinavian prices for pit-props have been reduced and at the present time the U.K. inventories are substantial. It is anticipated that the United Kingdom will place a fair volume of pit-prop contracts with eastern Canada for 1953 shipment. Present indications are that quantities will be considerably lower than the 1952 shipments. It is also anticipated that France and Turkey will take a volume of pit-props during 1953. The United Kingdom's experience in 1950 in depending solely upon European sources should be a deterrent which should make her hesitate to again withdraw from the Canadian market.

I am sure that the Minister of Trade and Commerce (Mr. Howe) and his officials, particularly Canada's trade commissioner in London, are doing everything within their power to secure the largest possible order from the United Kingdom for 1953 purchases of pit-props as well as from other countries.

While it is appreciated that this industry is of a free enterprise nature, the trade and those connected with it, from the woods to the wharves, can feel sure that every assistance is being rendered by the federal government.

The long lumber demand from Miramichi producers is at present normal. Early orders for 1953 requirements are being received, and while the price is down about $10 a standard it is hoped that overseas, United States and domestic demands will keep this industry on an even keel during 1953. The defence construction program in the Miramichi area is expected to be very substantial in 1953. This of course depends on the international situation. Other industries and business generally are expected to maintain the 1952 level.

I should like to ask members of the house, and particularly the members of the cabinet, to seriously consider the problems of the maritimes in the light of future existence and the necessity of industrial expansion. The constituency of Northumberland, New Brunswick, through which flows the historic and important Miramichi river, a shipping lane for ocean-going vessels of the largest types, like other parts of the maritimes, forms a part of this great Canada of ours. In it the descendants of the English, French, Scottish and Irish pioneers live in perfect harmony side by side, resolved, individually and collectively, to make Canada a still greater nation and to foster national unity in a true Canadian spirit.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, what Canada makes makes Canada.

What Canada produces produces Canada. Blessed is the country that can, and does, make and produce its own. Such a nation, wisely governed, is beholden to no man and to no combination of men.

On December 4, as recorded at pages 339 to 344 of *Hansard*, I discussed the matter of the Canadian beet sugar industry as it relates to national defence. It is my purpose today to consider the question of the Canadian sugar beet growing industry as an eminently respectable branch of farm business in Canada.

Sugar beets are grown in soil and generally on farms. There can be no doubt that sugar beet raising is a farming enterprise. True, the sugar beets are processed in a sugar factory before their product, sugar, becomes available to supply human needs. But wool growing requires a processing factory to render available yarn, cloth and clothing. Wheat growing requires a mill to produce flour. Generally vegetables and small fruits go through a canning factory to produce canned goods. Milk is often processed—in creameries to become butter, or in the cheese factories to become cheese.

Therefore I maintain that, notwithstanding the fact that sugar beet growing depends for its welfare upon the sugar factory, there can be no doubt whatever that sugar beet growing is a branch of Canadian agriculture. Sugar beet raising has an unchallengeable right to a recognized place and a respected and even honoured membership in the splendid sisterhood of Canadian agricultural industries. Therefore I contend that no man or group of men has any right to kick the sugar beet industry around as though it were a no-account cur that amounted to nothing. Sugar beet raising in Canada has by past achievement merited, and should freely be accorded, full title to a standard equal to that of grain growing, fruit growing, potato growing, dairying, fur farming, meat raising, sheep raising, tobacco growing, soya bean growing and the rest of them—and I may say that in the case of nearly all these products the constituency of Lethbridge, Alberta, is famous for its achievements.

Sugar beet raising is a branch of agriculture and therefore has an incontestable right to be exempt from all forms of discrimination from which other branches of agriculture are exempted. It has a complete right to be entitled to all forms of assistance to which other branches of agriculture are entitled, and that without reservation or question. Is there any conceivable reason why sugar beet growing should not, for example, come under the Agricultural Prices Support Act? While we are on the matter, how would you feel about the consistency of a nation that would put an agricultural price support under a given commodity and then let in vast quantities of that same commodity from another nation, thus destroying its domestic production?

First let it be known without qualification that beet sugar, the major end product of the sugar beet, is in every respect exactly the same as the finest cane sugar. There are still people spreading lies around Canada that beet sugar is somehow or other inferior to cane sugar. These people are either deceived or they are downright hypocritical. Let me read a passage to support the statement I have just made. The United States department of agriculture, bureau of chemistry and soils, says:

> It is not possible to chemically differentiate cane sugar and beet sugar by the physical appearance of the two sugars, and there is no evidence to show that cane sugar is sweeter than beet sugar or vice versa. It has been alleged at times that beet sugar has an unfavourable effect in making jelly and preserves. It has been stated, for instance, that beet sugar prevents jellying. The bureau of chemistry has conducted experiments in the manufacture of apple and grape jelly, using commercial granulated beet sugar and commercial granulated cane sugar under identical conditions. As a result of these experiments, no difference was found to exist in the finished products in any of their characteristics, and no difference could be detected between jellies made with beet sugar and those made with cane sugar. In all probability the failure to produce the desired jellying effect, which has been observed at times, has been due to such factors as deficiency of pectin in the fruit juice, absence of proper acidity, etc. The highest grades of granulated sugar on the market reach an ideal state of purity so far as all practical purposes are concerned, and it is believed that where the highest grades of commercial granulated sugar are used there is no choice between beet and cane sugar.

It would be in the interests of Canada if the government would issue a statement similar to the one I have just read from the United States government. How can a country be wisely governed and well informed when people are deluded by misstatements?

The sugar beet is a king amongst vegetables. The average sugar beet is from ten to twelve inches long, it weighs from 1½ to 2 pounds, it is light in colour, something like a parsnip. I am taking some care to go into detail in the matter because I realize that a good many members in the house have never seen a sugar beet and there are certainly millions of people in Canada who have not seen one.

Sugar beets have yielded as high as 23 tons to an acre, a colossal per acre yield. A good average crop is 12 tons per acre which, in itself, is an enormous yield. A good sugar beet, if well bred and well cared for in good soil with enough water and sunshine, will carry a high percentage of sugar—as

high as 16 to 18 per cent or more. That percentage stands among the very top achievements in the world. The average sugar content in Alberta sugar beets over the past twenty years has bordered closely upon 17 per cent.

Canadian land where sugar beets are now grown has good soil, adequate sunshine and water. Canadian irrigated lands are especially blessed in all three of these respects. The sugar beet is one of the surest crops—one of the great anxieties in agricultural industries is the uncertainty of the crop, but sugar beets are almost a certain crop under most conditions.

No disease comparable to rust in wheat, or smut in grains, or blight in potatoes, remains unconquered in Canadian sugar beets. No insect pest comparable to the wheat-stem saw-fly, the corn borer and various kinds of weevil, is uncontrolled in sugar beets. Sugar beets, growing, are successfully resistant to slight frost, frost which would normally come during their period of growth. Sugar beets in summer have a fair chance of recovering from hail—which is again an important matter. The average Canadian fall weather does not prevent the harvest, or harm the beets seriously after harvest. Beet harvesting, usually, comes after the garnering of most farm crops and consequently the work of gathering sugar beets is economical in the farm schedule of yearly activity.

Sugar beets have a sure market in Canada if governmental wisdom preserves it for them. It ought to be recognized ordinarily, and I believe it is by all realistic persons, that it is proper for the producers of the country to have the first right to the market of that country. Sugar beet growers are assured of a fair cash price because the farmers and beet processors sign contracts, before seeding begins—guaranteeing the beet raisers an attractive initial payment on the beets when delivered, and participation in returns from sales of the sugar and by-products as the sales are made.

How well do sugar beets yield in Canada? The average tonnage per acre from 1925 to 1950 in Alberta was good. It was rarely lower than 12 tons to the acre. The average sugar content percentage through the same years was, generally speaking, good. Very rarely did it fall below 16 per cent and several times it went above 18 per cent. The average sugar yield per ton in Alberta is good, as compared with sugar beets in almost any part of the world.

The sugar beet is a king and a queen amongst vegetables in respect of the by-products that it yields Canadians. Someone has said that if a sugar beet could squeal we would utilize even the squeal. That is how completely the sugar beet is used.

May we consider these by-products and what they mean in terms of nutrients for livestock? According to the fifteenth report and financial statement of the Alberta co-operative sugar beet growers, a very reliable organization in point of accuracy of knowledge, "in meat production the various by-products alone from an average acre of beets, not counting sugar, produces as much meat as will the product of an average acre of corn." Now that is a most important fact.

While primarily it might be said that we raise sugar beets to produce sugar, yet in raising sugar beets we are producing per acre a crop of nutrients—animal food—equivalent to what could be raised if you were raising on that acre almost any forage crop that can be named, and raising it for forage alone.

There are four by-products. They are beet tops, beet pulp, beet molasses, and beet tailings. Now, what are beet tops? Those who have had experience with raising beets know that the upward part of the beet, probably to an inch to an inch and a half below the base of the leaves, does not contain sugar and may contain undesirable elements which can mar the value of the sugar. Consequently the upper inch or inch and a half is cut off when the beets are harvested. Thus we see there are left all the leaves and the upper portion of the beet itself. Those portions remain on the field or are gathered up and hauled in to be treated as any other kind of valuable nutrient would be treated. They constitute what is called beet tops.

How valuable are those beet tops? *Silver Sunshine*, the 1946 fall issue, at page 31, tells us that tops from the average ton of beet contain approximately 200 pounds of dry matter. This according to 27 experiments conducted throughout the western United States in 1943, will replace 100 pounds of alfalfa hay and 46 pounds of grain in fattening cattle and sheep. One hundred pounds of beet tops therefore equal 50 pounds of alfalfa hay and 23 pounds of grain. Now, a rapid computation of the figures I have given will readily enable any ordinary member to estimate just how much nutrient value there is in beet tops from a 12 ton crop.

What is the value of beet tops? Beet tops from an average 12 ton crop are worth $19.50 per acre as feed when alfalfa hay is $14 per ton and barley is 60 cents a bushel. Tops cured and well dried will replace grain at the rate of one pound of tops for half a pound of grain. This is all authenticated and vouched for in the periodical, *Silver Sunshine*, to which I have referred.

The Canada and Dominion Sugar Company, at page 49 of its submission to the tariff board in 1939, reference 106, quoted from reports of the statistical branch of the Ontario department of agriculture to the effect that the past five-year average yield of alfalfa, per acre in Ontario, was 2·32 tons.

Then the report says "so that a sugar beet grower gets on an average about two-thirds as much value in stock feed from his beet tops as if he had cropped his land solely to alfalfa hay".

"Beet tops properly siloed are worth as much as the beets". So says the *Silver Sunshine* periodical in the fall of 1946, at page 10.

I have shown that one ton of beets will yield 200 pounds of dried beet tops, equal to 100 pounds of alfalfa hay and 46 pounds of grain. A 12 ton beet crop will yield 12 times 200 pounds or 2,400 pounds of dried beet tops equalling 1,200 pounds of alfalfa hay and 552 pounds of grain. *Silver Sunshine* in the spring of 1948, at page 22, says: "Livestock prefer beet top silage above all other feeds".

It must be obvious to everyone who is at all concerned about the welfare of Canadian agriculture that the sugar beet growing industry is not a matter to be lightly treated.

The second by-product is beet pulp. Beet pulp is fed to livestock both wet and dry. What is it? It consists of the remains of the beet after the beet has been passed through the factory, sliced and the sugar containing fluid drawn out of the beet. One ton of beets produce 100 pounds of dried beet pulp, according to reference No. 106, 1939, which I referred to a few moments ago as having been presented by the Canada and Dominion sugar factory.

In the last few years men have perfected processes whereby the beet pulp can be dried, shipped far away and preserved indefinitely. This fact is of great importance to our nation in the matter of feed supply in the event that we should, for any reason, have a failure in our forage crops in any given year; and that is something which can easily take place in any part of Canada.

Dried beet pulp is an extremely valuable feed. No other product on the market possesses its virtues. It is both an appetizer and a conditioner. It makes cattle eat more of other feed, digest it better and improve in condition. Milk cows fed with it produce more milk and more milk per pound of feed consumed. Feeder cattle fed with it gain weight faster and add more flesh per pound of feed. Show cattle take on a bloom which cannot be produced as economically in any other way. In 1938 the price was $15.30 f.o.b. the factory. This I gather from this reference to which I referred, namely reference No. 106 which will be the name by which I will refer to it from now on.

Beet pulp fresh has succulence of tremendous virtue for stock. Those who have fed milk cows without beet pulp and who have then fed beet pulp for the first time find themselves completely astounded at the results which come from feeding the cows beet pulp. W. N. Hermis, R. E. Miller and R. D. Jones say in *Sugar Beet Bulletin*, volume 5, 1941, No. 3, paragraphs 61-63: "A ton of silage pulp replaces 139·9 pounds of ground barley, 636 pounds of alfalfa hay, 44·2 pounds of molasses in feeding lambs." This is mentioned in the Alberta sugar beet growers' 1941 report at page 27. Lambs fed on wet pulp made even faster and cheaper gains.

Here is the second by-product of sugar beet. I ask any man in the house or in the country this question: Does he suppose for one minute that the Canadian people and the Canadian government can afford to neglect beet sugar production in this country, judging from the standard of feed alone?

I come now to the third of the by-products, namely beet molasses. What is it? It is what is left after the sugar has been taken out of the beet juice drawn from the beets. There is a certain point beyond which it is not economical to take the sugar out; it costs more to take it out than to leave it in. What is left is called beet molasses. It is a thick, dark substance, in some respects resembling crude molasses with which most hon. members are at least in some degree familiar.

How much beet molasses comes from beets? Four per cent of the beets is the general amount or 80 pounds of beet molasses per ton of beets. This varies to some extent, according to a number of factors, but that is a good general rule. It consists of sucrose to the extent of 50 per cent, soluble salts and water. It is rich in potash and contains some nitrogen. Beet molasses is useful for stock feed, for yeast making, for distilling, and for mixing with dried beet pulp. It is used increasingly in chemical processes, according to Messrs. F. O. Licht in a memorandum prepared for the economic committee of the league of nations in 1929 at page 25. This will be found in reference No. 106 to which I have referred, 1939, at page 25.

Approximately four gallons of alcohol is procured from the molasses of one ton of beets. The average sale price of beet molasses was $20.04 per ton in Alberta, according to E. D. Battrum in the 1943 report, page 12, of the Alberta beet growers' association. Canada

and Dominion Sugar Company's submission, reference No. 106, 1939, says of molasses at page 52:

> From ten to fifteen thousand tons are produced annually, depending on the yield, test and purity of the beet crop. The total gross value in recent years has averaged over $100,000 annually.

That is from the Ontario factory areas with which most hon. members from Ontario are familiar. So much for the molasses. Judged from the molasses alone from beet sugar production, one would say that, under ordinary circumstances, any nation would be well advised to have the guarantee of an abundance of such molasses being produced domestically every year.

I mentioned beet tailings. What are they? Beet tailings are the little roots on the beets which are broken off when the beets begin to be processed. They are good for feeding swine, sheep and other animals as long as they last, which of course is not long. They are a fairly valuable by-product.

Because of the drying of beet pulp, sugar factories have begun to mix beet molasses along with the beet pulp and dry the two together. This mixture is being found to be an exceedingly valuable feed. I am reading now from an article by T. George Wood who was for years the president of Canadian Sugar Factories Limited in southern Alberta. In an article which appeared in *Silver Sunshine* in 1950 he says:

> Weight and water in wet beet pulp has restricted its use to those beet farmers within a somewhat close radius of the sugar factories. Only from 10 to 12 per cent of wet beet pulp is actual feed, and hauling costs are high.

He goes on to discuss dried beet pulp as follows:

> Dried molasses beet pulp, as produced at the Taber sugar factory, will contain about 25 per cent of molasses dried with the sliced beet residue. It can be used to make up balanced rations of such combination of feeds that will allow every beet farmer to get full livestock production at lower costs. Such a ration should be based largely on home produced feeds.
>
> Dried molasses beet pulp is in all beet districts where it is produced, one of the best and most popular concentrates for feeding to dairy cows, beef cattle and for finishing sheep and lambs.

And again:

> Nutritionists stress the need of making concentrate mixtures with sufficient bulk to aid disgestion.
>
> Every farmer knows that in feeding grain alone there is a tendency to form a sticky, pasty mass that becomes indigestible, and is likely to cause bloat and other disgestive troubles causing animals to go off feed.
>
> Now that dried molasses beet pulp becomes available, it should form 25 per cent of the feeding ration throughout all the feeding projects in southern Alberta.
>
> The expanding bulk of dried molasses beet pulp plays a most vital part as a digestive aid because of its water absorbing quality. It will take up five or six times its original weight in water without producing gas or bloat.
>
> It is easy to feed. Used dry the animal will provide the water. It will make cheap farm feeds palatable and nutritious.

And further:

> According to a summary of 42 fattening tests conducted by agricultural experiment stations, each ton of dried beet pulp fed with grain and alfalfa replaced 1782·2 pounds of corn and 835·6 pounds of alfalfa in producing gains on cattle or lambs. This means that each pound of dried pulp saved ·89 pounds of grain and ·42 pounds of alfalfa, or was approximately equal to 1·15 pounds of grain. The high fattening value of dried pulp is in part due to its ability when mixed with grain to keep fattening animals on feed without any set-backs and thereby to produce steady and uninterrupted gains. As a rule, it is customary to feed dried pulp, if available, as one-quarter to one-half of the grain ration. When used with supplemental feeds, however, such as mill feed, bran, corn-fodder or ensilage, it can be substituted for the entire grain ration if necessary.

I apologize to hon. members for taking so much time to read, but I should like them to know that what I am saying is absolutely authentic and can be relied on one hundred per cent. So much for the pulp and molasses mixture.

How does sugar beet culture affect the soil? Sugar beet culture wisely employed by Germany between 1870 and September 1, 1903, increased that nation's yield of cereals from 14 bushels an acre to 34·9 bushels an acre, which sounds astonishing, does it not? Over that same period Germany paid out $340 million in subsidies, benefiting the beet sugar industry.

Sugar beet culture thereby enabled Germany to support her population in respect of wheat, barley, oats and rye. Germany, in becoming the greatest grower of sugar beets, increased her average yield of cereals 80 per cent over the period 1879 to 1909. Over the period 1919 to 1923 the average yield of wheat in Germany was 26 bushels an acre as against 16·04 bushels an acre for Canada. Messrs. F. O. Licht, the well-known international sugar statisticians, reported these facts to the economic committee of the league of nations in 1929.

How comes this about? Well, in producing sugar beets they use a rotation. This is a rotation which is being worked upon by the Lethbridge experimental farm: Thirty tons per acre of manure are scattered upon the land upon which it is intended to raise beets. Then beets are raised for two years; then wheat is raised one year; then alfalfa is raised for three years; then wheat for one year, and then 30 tons of manure are put on again. Now, in order to get the best results with sugar beets some such rotation has to

be used. Consequently the result is an encouraging improvement of the soil.

Here is a vegetable, through the growing of which, Canadian farmers in certain regions can produce for Canadians two highly valuable crops at the same time, sugar, an indispensable human food, and sugar beet by-products, which, taken together, constitute perhaps the finest stock feed known to man. Surely the considered conclusion of all informed and enlightened Canadians must be that the sugar beet growing industry must be recognized, respected and then treated, as a branch of Canadian agriculture, second to none, the peer of all, worthy to be the queen of all.

What must be the estimate of any Canadian government that would permit the agricultural business of beet growing to be seriously injured?

Mr. W. M. Mott (New Westminster): Mr. Speaker, I am very glad to have this opportunity to say a few words at this time. First of all, I am sure I cannot add to the many kind expressions that have been conveyed to the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne. At the same time I should like to convey to them my personal congratulations on the very fine addresses they gave at the opening of this session of parliament.

Since I represent a British Columbia constituency I want to say to our own Prime Minister (Mr. St. Laurent) how much we appreciate the fact that two outstanding members of our province have been elevated to high and honoured positions in the cabinet. The Minister of Fisheries (Mr. Sinclair) does not come here as a man inexperienced in that industry. Fifty per cent of his constituency is bordered by the fishing industry. He has always been closely connected with it, and as an engineer by profession I am sure he will make an outstanding and successful job of his position as Minister of Fisheries in the federal government. The Solicitor General (Mr. Campney) is certainly well qualified to hold the position he occupies in the Department of Justice, since he is a member of one of the largest legal firms in the west. Because of that I am sure he comes here with considerable knowledge to fulfil that position. He is also Associate Minister of National Defence. I might say that he is one of many of us who had to do the tough job of marching as private soldiers in the first world war. Later on he was promoted to the ranks of the flying corps as a flying officer. I am sure his outstanding knowledge as a veteran fits him well for the position of Associate Minister of National Defence.

At this time, Mr. Speaker, I also wish to convey my thanks to the Minister of Transport (Mr. Chevrier) and his colleagues in the cabinet for their assistance and help last year in the development of the harbour and port of New Westminster. The loan of $1,250,000 to the harbour board for the extension and expansion of our docks, that we need in the west so urgently at this time, will go a long way toward taking care of the extensions that we can foresee before many years. I should like to express sincere appreciation to the citizens for the fact that only a few days ago they passed a bylaw in which they turned waterfront property valued at about $100,000 over to the crown for the sum of one dollar. That bylaw was passed by a majority of four to one. It shows the deep appreciation of the people of New Westminster.

Then there are some other matters I should like to discuss at this time, matters which have been brought to my attention in my own constituency, and which I think it is only proper that I place on record. The first of these has to do with the returned veterans. I do not refer to all of them, but more particularly to the burnt-out pensioners to whom the war veterans allowance would apply.

A few days ago I listened to the hon. member for Battle River (Mr. Fair) when he spoke concerning the veterans. I noted that during his observations he made use of an old saying we always associate with the late R. L. Borden. I think many of us will remember those words all too well. They were brief. His statement was that nothing would be too good for the veterans of the war when they returned. I may not be using his exact words, but I believe my recollection of them gives the proper meaning.

Let me say here that, along with many thousands of others, I returned from the first war. We might very easily place emphasis on the word "nothing" in that saying. Each of us received $70 a month for six months if we had served three years in the Canadian expeditionary force. We received $35 for a suit of clothes—and while clothing might not have been as expensive as it is today, it was certainly more expensive than it was at the time those young fellows entered the army. That $70 a month was given to us while we were looking for employment, and we know that in that same year there were some 55,000 returned soldiers from the first war who went to the United

States looking for employment. At that time there was no organization such as the Canadian Legion to look after the veterans who returned from the war. That is why I now mention that in my view it is necessary that some further assistance be given to them.

I am not going to quote what the hon. member for Battle River said, because it is all to be found at page 314 of *Hansard* for December 3 and hon. members may look it up if they wish. I would point out, however, that he quoted the remarks made in 1931 by the late Right Hon. W. L. Mackenzie King, in which he set out the plan he had at that time for the veterans of the first war. It showed progressive thinking, and anyone wishing to read it will understand it as well as I do. It shows that not only the late Mr. Mackenzie King but other governments since that time have been acting progressively in trying to assist the veterans. It is true those veterans have not received everything for which they have asked, and this, of course, is no indication that they are not entitled to what they have asked. In this connection my mind goes back to the veterans affairs committee, of which I was a member, and the efforts of the opposition to embarrass the government by pointing out that everything that had been requested had not been given. I believe the disabled veterans received more than they asked for. Then there have been many other grants to widows and also for the educational advancement of orphans. I do feel, however, that the burnt-out pensioner has not received, to the full extent, what he should have had.

I am not going to follow the example of my hon. friends opposite by saying that we should give them this and give them that and then, in the next breath, preach economy and ask the government to cut down personal and corporation income tax. I am not going to ask that, while at the same time asking for large amounts for social services. I agree to a certain extent with our friends in the C.C.F. party when they ask for increased social services. I do not know whether I have heard them ask that the income tax be cut, but I do know the party sitting to the right of them, from where I stand, in company with the official opposition, seem to be preaching a program of economy at this time.

I have noticed that other hon. members who have discussed veterans' problems have not made the fiery speeches they have made on so many occasions. They have not placed themselves on record with such high pressure as they have formerly. Some have said that if a committee on veterans' affairs is appointed they would like to serve on it, but I have noticed that they have quietened down considerably in their pressure on behalf of the veterans, if one compares what they have said recently with what they have said in the past.

While I stand in my place and ask the government to assist these veterans, and go along with hon. members of the opposition and on this side of the house in stating that it is necessary to give further assistance to burnt-out pensioners, I cannot in the same breath ask the government to cut down on personal and corporation taxation. I am not one who believes that on the one hand you can ask for heavier expenditures by the government and, on the other, expect lower taxation.

This is all I am going to say, except that I hope the Minister of Veterans Affairs (Mr. Lapointe) will take note of what I have said. I realize, of course, that even this small request would cost two or three million dollars. The war veterans assistance fund, which was taken away last year for two months after the increase in the war veterans allowance, has not worked out very satisfactorily, but it is my hope that even today the allowance will be of great assistance to them, and I would hope that something further will be done to restore it.

I should like to say a few words about our situation on the lower mainland in British Columbia, in connection with television. I come from a constituency located twelve miles from Vancouver, known as the hub of the Fraser valley—and I am sorry the hon. member for Fraser Valley (Mr. Cruickshank) is not in his seat, because I know he would have some comment to make. For many years, however, my constituency has been so described. There are some 150,000 people in the area, including one who has the funds and the equipment to instal television. I have no quarrel with the Canadian Broadcasting Corporation as I think they have done a wonderful job in providing service in places where private stations would not have spread out if it had been left to private enterprise to handle our radio in the past. I think the same about television. We need cultural and other types of programs which they will broadcast. We are going to require that type of program. We now get certain television programs from the United States. I have a television set and I get good programs from Seattle, 145 miles away, the type of television program that the ordinary person wants to see. I have been connected with sports nearly all my life, and when I am home on a Friday night I like to see four or five good boxing matches from Madison Square Garden or Detroit. I have seen practically every big football game which has been played in

the United States. We receive many good sports programs, besides plays and other things of interest which we enjoy.

My main reason for bringing up this matter is what is happening in Bellingham, a city of some 35,000 people about 19 miles from the border and about 40 miles from New Westminster. A television station is being installed in that city. The following article appeared in a New Westminster newspaper. It is a B.U.P. dispatch from Victoria and reads:

> Plans of Bellingham radio station operator Roger Jones to set up a television station serving both Washington and British Columbia will be proceeded with immediately, it was learned today in Victoria.
>
> David M. Armstrong, manager of Victoria radio station CKDA, said he learned from Jones that the Bellingham television outlet is expected to be approved within a few months, and will not be delayed three years, as first reported.
>
> Jones, operator of radio station KVOS, confirmed that he planned to beam programs to British Columbia, using B.C. talent, and said he will accept advertising from B.C. firms.
>
> Armstrong conferred with Jones today in Bellingham, discussing technical problems in establishing television outlets. The Victoria radio station manager plans to set up a TV outlet in the capital city as soon as his application is approved by the C.B.C.

I hope the Minister of National Revenue (Mr. McCann) will take notice of that. Here is a station being set up in a city only 20 miles from the Canadian border with the avowed intention of coming into Canada to get advertising and beaming programs to Canada from the United States. I know it is the intention of the government to put television in Vancouver, but I submit that where there is need for a station the government should fix a certain time limit for private industry to indicate whether they wish to set up a station. That is all I am going to say about television at this time.

I do want to say a few words with regard to this great discussion that has taken place during the last few days regarding the Currie report. I want to reply to some of the points brought out in the criticism by the official opposition and other parties. First I want to make it clear that my army experience was as a private soldier. As you all know, that is the lowest rank you can have; there is no one under you. I see the hon. member for Vancouver-Quadra (Mr. Green) smiling. I am not ashamed to say that I served three years and two months in the Canadian expeditionary force and came out a private soldier. I must have been a good private to remain in that position three years and two months. Nevertheless I did gain some experience of the Canadian army.

Reference has been made to pilfering, but I think the only pilfering I did was to take the $1.10 per day they gave me for three years. Some of the things in this report amused me and some of the points raised by the opposition also amused me. I think one of the main things on which you should have put your finger has been left out absolutely. The other day when this matter first came up for consideration it reminded me of a real military operation somewhere, with all the lieutenant colonels that were taking part. I have nothing against lieutenant colonels or generals. All these lieutenant colonels and other marched in just as they used to years ago; they had their operation orders under their arms, but instead of using heavy artillery, all they had was pop guns and firecrackers.

One thing was quite noticeable. In this report which had taken that length of time to prepare and which covered so many matters, you had to jump one, two, three and four pages to find one line to complain about.

An hon. Member: What a line.

Mr. Mott: It was quite noticeable that you stayed down at the bottom with some of the things, where some of this trouble started, and then went to the top to hit the administration. Why did you hit the administration? You hit the administration because you wanted to get at the minister. The only way you could get at him was to attack the administration.

An order was sent out by the deputy minister to the quartermaster general. Did any of the lieutenant colonels on that side repeat that? I never heard one of them refer to it. They know enough about organization and military matters, and I know enough about them as a private, to know that 90 per cent of the troubles refer to discipline. It does not come from the Minister of National Defence; it is discipline.

All those who are returned soldiers know that when we were over in England and wanted an extra bucket of coal in the night, we formed our own little operation. We went up to the guard at the fence and two of us kept him engaged there while two more crawled over the fence to get the coal. That is part of army life, and everyone knows that.

Those who were in the army of occupation after the war know that these things happened. How many of those officers across from us in the official opposition who were speaking on this question walked down the streets of cities in the Ruhr, in Brussels and other places and saw girl after girl and young lady after young lady walking by in beautiful coats made out of our blankets. They never had such clothes. These things occur in the army to a certain extent and the only way

to stop them is through discipline, not by trying to get at the administration or the Minister of National Defence.

I notice some other things. Reference has been made to a hobby horse or something else. Today with our mechanized army we really have an army of tradesmen. If you are up in Churchill, not at Petawawa, gracious sakes alive; if someone wanted to build something, should that be investigated in this manner? These things can be enlarged upon, it can be said they are made out of mahogany or gold or something else, but it is much better for soldiers or officers to be busy making these things in their spare time. If they have nothing else to do in their spare time I think they should be encouraged to follow a hobby and make these things. It may not be horses but something else. Take the air force in the last war. Look at the number of A-1 mechanics who came out of it. Some of them were overenergetic, and while they were studying and learning their trades they made many small things that they brought out of the service with them as souvenirs. I do not think we should be too critical of these things.

I get a laugh out of the horses. In the war in which I served horses were used for transportation. Horses or our feet; that was all we had. In our mechanized army of today I wonder if we have requisitions with "horse" marked on them. In looking over the requisitions to find one marked "horse" probably they could not find one, so the cost was charged to labour. It is labour just the same as the labour of man. The horse is a living animal just as man is a living person, and probably that is why it was charged to labour, although that may not be the case. We should look into these problems to find out whether or not the criticism that has been levelled is correct.

As one who served under the hon. member for Nanaimo (Mr. Pearkes) when he was general officer commanding the reserve army on the Pacific coast in the last war, I should like to ask him in a friendly spirit—he does not need to reply but I know he will agree with me—if many thousands of courts of inquiries were not reported to him concerning things that were lost. We all know what happened when a pair of binoculars or a revolver was lost. If you were the officer commanding a small unit with the rank of captain you got $240 a year and were charged with looking after $80,000 worth of equipment. They gave you two sergeants, a quartermaster sergeant and an orderly room sergeant and expected you, on a salary of $240 a year, to be responsible for $80,000 worth of equipment. I can prove that because I was in that position. If you lost something you did not have much to pay for it out of $240 a year when you had to provide your army equipment, buy a suit of clothes and other small things and keep up with the Joneses. What did you do? In your own mind you probably knew that a certain article was gone, so you sent to brigade headquarters and they set up a court of inquiry. You could call the article lost or stolen, but it was gone. It did not always fall through the floor.

I know there have probably been thousands of such courts of inquiry. A lot of these things go with the army and always will. There is no doubt about that. Today in Canada it is difficult to get men to serve in the permanent forces. Men were quite willing to do so when they could go overseas and get into action, for the adventure or otherwise, but they are not so willing to serve in the permanent forces. Therefore I wonder how serious some of these things are from the point of view of the veteran. I think when the facts become well known to the thousands of private soldiers and other ranks of the first war and to the thousands who served in the last war they will realize that they ran into the same thing during their army life. I do not say they should steal railway tracks, but at the same time I was amused by that incident. I will be fair with the opposition. I do not condone the removal of two Canadian Pacific railway tracks and their replacement by tracks taken from the Canadian National but it is a strange thing that the railway companies did not notice what was taking place.

In any event I will be interested in hearing the remarks that are still to be made, but as a private soldier I want to assure the opposition that they certainly have not convinced me that this matter is as serious as their speeches would indicate. In the first place we had already heard about the Petawawa scandal on the floor of the house. Now we are opening up the matter again, which is only the right and proper thing to do; but I do not think the matter is going to turn out to be as serious as the opposition are trying to make it appear.

I am very glad to have had the opportunity of saying a few words. I am leaving tomorrow morning, and I appreciate the opportunity of being allowed to speak at this time. Three years ago I said a few words in the house and this is only my second attempt. I am not going to take up any more time, because I am certain there are many others who wish to speak before we adjourn for the Christmas holidays.

(Translation):

Mr. J. A. Richard (St. Maurice-Lafleche): Mr. Speaker, it is with deep emotion and a sense of profound national pride that I address the house. May I first be permitted to offer my sincere congratulations and thanks to the mover (Mr. Deslieres) and the seconder (Mr. Schneider) of the address in reply to the speech from the throne; they have both fulfilled their task in an admirable way.

Without going into every detail, I must say that the speech from the throne delivered at the beginning of this session of the twenty-first parliament mentions projects of the highest importance for the economic development and general welfare of the country at large. I am confident that all members of the house, including those of the opposition, are greatly desirous of fulfilling their important duty as representatives of their compatriots, conscientiously and without ever losing sight of the common good and general interest of the people.

From the house I wish to send my best regards to the people of St. Maurice-Lafleche, whom I have the honour and privilege of representing, and I wish to thank them sincerely for the confidence they have placed in me.

It gives me great pleasure to associate myself with the other members of the house who have tendered their congratulations to His Eminence Cardinal Leger, Archbishop of Montreal, who has been raised to the rank of cardinal of the Roman Catholic church. I do so on behalf of all those of the same faith and in particular in the name of the good people of the constituency of St. Maurice-Lafleche. His Eminence may be assured of our admiration, deep respect and filial devotion.

I also congratulate our Prime Minister, the Right Hon. Mr. St. Laurent, whose talents are recognized all over the commonwealth and have brought him his new title of doctor of the university of London. Our whole country is, undoubtedly, very proud of her brilliant Prime Minister.

There is another member of this house who, since he has been in public life, has spared neither his time nor his experience in the administration of the department entrusted to him and whose task is probably one of the most delicate and difficult. I refer to the Hon. the Secretary of State for External Affairs (Mr. Pearson) who was recently honoured with a doctor's degree from Laval university. I beg the hon. minister to accept my most sincere compliments and congratulations.

In awarding this doctorate to such an outstanding person, Laval university has given recognition to one of the best promoters of national unity. For this we must give thanks to the broad-mindedness of the Secretary of State for External Affairs with regard to French language and culture in this country. All my fellow Quebeckers are, I am sure, happy at what Laval university has just done.

Mr. Speaker, I turn now to another subject. I wish to acquaint you better with the St. Maurice district and particularly with the constituency of St. Maurice-Lafleche which I represent here. I will attempt to make these remarks as brief as possible, after which I will submit my suggestions for the industrial, agricultural and touristic advancement of this lovely part of my province.

My constituency has three main industrial towns, all situated on the banks of the St. Maurice river, whose total population now exceeds sixty thousand. First we have the town of Shawinigan, where I live, and whose population is now up to the thirty thousand mark, exclusive of the suburban community of Almaville or Shawinigan South, known as the largest village in Canada, with a population of ten thousand in itself. The town of Shawinigan is twenty miles north of Three Rivers. Although only fifty-one years old, she is the princess city of Mauricia. Her people hope that, before long, she will become the queen of Mauricia, with all due deference to my worthy colleague, the member for Three Rivers (Mr. Balcer). You will find in our city a peaceful population, hard-working citizens and a competent labouring class. In addition to the electric power plants of the Shawinigan Water and Power, we have pulp and paper mills, aluminum carbide, textile and electro-chemical products plants of great importance. In addition to those already mentioned, there are about twenty industries of secondary importance which provide work for the people.

The city of Grand Mere is today separated from Shawinigan, so to speak, only by an imaginary line, since owing to the progress and expansion of these two sister cities, houses have multiplied along the whole distance between these two industrial centres. The population of Grand Mere is about 13,000. Its main industries are paper, textile and shoemaking.

If one travels northward for about sixty miles, along the St. Maurice, one comes to the nice little city of La Tuque, which has a population of 12,000; these people derive their living from an important pulp mill and numerous other private enterprises. In the neighbourhood of these three cities I have

just mentioned, there are twenty-seven rural parishes. We may say, therefore, that the farmers of this area have ready markets which, in spite of the difficulties inherent to the area, are very useful to them.

I should like also to point out that the St. Maurice valley with its large fields, beautiful mountains, game-abounding forests and well-stocked lakes is admired and enjoyed by all nature-loving people. The tourist who pays a visit to this district cannot but be wonder-struck, cannot but prolong his stay and come back to it. This area offers all facilities for industrial development, so much so that, at a congress of professional engineers held recently at Shawinigan, a famous engineer stated that the St. Maurice area has known such an industrial expansion for the last fifty years that it deserves to be called the industrial valley of Canada.

Is this not an eloquent testimony to the participation of our district in Canadian industry? Hydroelectric power has always been the main factor in this rapid development; it is responsible for all our industrial production in its various forms. As a matter of fact there are seven power plants set up over a 125 mile stretch of the St. Maurice river, with a total capacity of approximately 200,000,000 horsepower. The total value of industrial production in the town of Shawinigan alone exceeds $90 million. The towns of Grand Mere and La Tuque also have industries with an annual production figure of several million dollars.

Our standing orders prevent me from reading into the record the names of any of the industrial concerns of a particular district. Nevertheless I would invite anybody who is interested to come and visit them on the spot.

I therefore suggest to the government the possibility of further developing Canadian industry with due regard to all the advantages offered by the St. Maurice district. According to Mr. G. K. Sheils, president of the Canadian Manufacturers' Association, industrialists will, in the next few months, invest one billion dollars in plant construction and equipment.

As for the tourist trade, which always brings in considerable returns, I suggest we come to some agreement with our neighbours, concerning the stabilization at parity level of both currencies. Either side would thus succeed in avoiding numerous annoyances and such an agreement would further profit the tourist trade.

Mr. Speaker, on behalf of numerous heads of families in my county may I address the Minister of Finance (Mr. Abbott)? I should like to voice their complaints about the income tax scale. They have asked for exemptions up to $3,000. Considering the very high cost of living and the numerous obligations of those who have a wife and children, I feel convinced that all the complaints I have received are absolutely sincere.

I agree that a tax reduction in this category of wage earners would entail a notable reduction in public revenue. However, considering the normal increase in the budget for each fiscal year, would it not be possible to find compensation for this loss of revenue, while granting relief to the small wage earners?

It is no secret that there is in the province of Quebec a political movement known as the "Union des Electeurs". Like most hon. members, I believe, I receive numerous protests, resolutions and requests for amendment regarding some of our social and economic legislation. I have no doubt about the complete sincerity of those people. This at least tends to show the deep interest they are taking in all that pertains to public business, and I congratulate them for it. Some of their requests are fair and deserve to be taken into consideration by the government. However, for the time being, it is impossible under our constitution to implement some of the reforms advocated by the "Union des Electeurs". These gentlemen may rest assured that I am always willing to receive their constructive suggestions and help them whenever possible.

In regard to the thorny problem of taxation agreements between the province of Quebec and the central government, there is little I could add to the recent and quite appropriate speech made by the hon. member for Quebec-Montmorency (Mr. LaCroix) and the comments of the member for Portneuf (Mr. Gauthier). However, I ask all members of the house to take the trouble of examining the facts, not from the point of view of self-interest, but carefully and objectively.

I might add that it would be much easier to come to an agreement if the Quebec government did not make a political issue out of the matter. In spite of what our opponents may think, the central government has always been very generous towards the provinces, although it does not seek all the credit for it. Too many people are completely in the dark about the large contribution made by the federal government to the cost of old age pensions and family allowances, which in my constituency amount to $2,804,000 per year. In addition, there are grants to universities, to hospitals and other national contributions to all kinds of associations devoted to the improvement of health services, to mention but those.

To come back to this business of publicity, I wonder how we must take the audacity of a certain Union Nationale member who, merely for reasons of publicity, no doubt, had his picture printed in a daily newspaper, handing over a cheque for $100,000 to the mother superior of a religious congregation in a great fit of generosity. Now this happens to be a federal grant. I was anxious to put matters right for the information of several people who have been misled and in order to warn the people against this type of political propaganda indulged in by our opponents.

I now come to another matter which has been mentioned very often in previous debates, that is, the question of a national flag. It will undoubtedly be said that the matter is under consideration, that a committee has already been formed to investigate the matter and so on and so forth, but the fact remains that Canada is still without a national flag.

Don't you find it rather strange, Mr. Speaker, that a free country like ours, both great and rich, a country that ranks among the great nations of the world, has been so long without a truly distinctive national flag?

In 1950, I had the great privilege of making a pilgrimage to Rome. Before leaving Europe, I made it a point to stay a few weeks in France, Belgium and Holland in order to visit the most important historical sites. Among these, Dieppe and Vimy, where so many Canadians won distinction for their bravery during the first great war, drew my attention and that of my three companions, Commander Albert Giguere, Rev. Raymond Cossette, parish priest, and Mr. Harry Desaulniers, a Shawinigan merchant. Accompanied by a French guide, who was a very eloquent patriot, I had the opportunity of examining at Vimy the tremendous work done by our soldiers as a prelude to a glorious victory. I read many of the names inscribed on the base of the huge monument. Many of these names were well known to us. These soldiers gave their lives to safeguard our liberties. My feelings of respect, pride and gratitude towards these courageous men were somewhat mixed with a certain feeling of uneasiness, which I could not hide. I would have liked to see these graves decorated with a national flag. Let us hope that before long those who thus gave their lives will receive from their country this last tribute. Their sublime sacrifice is worth it.

As we are now in the Christmas season, I take this opportunity to offer to this house my best wishes. My greetings go first to the Right Hon. the Prime Minister and to every member of his cabinet. I wish health, happiness and a long life to these men who contribute so much to the progress and development of our country. I make the same wishes for all members of the Liberal party. I hope that Providence will keep them for a long time to come in their present places.

I would also like to offer my best wishes to the members of the press gallery who spare neither time nor effort to keep the public informed on all social and political events which concern them. Health, happiness and long life; may the work they take on be more and more appreciated all the time.

I would not want to forget the hon. gentlemen who sit on the left. I extend my best wishes to them. May Providence grant them and their families a great deal of happiness, along with good health, and may Canadians continue to have only limited confidence in their administrative capacity, for the greatest good of the great majority of the citizens of this country.

(Text):

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, last evening the Minister of Justice (Mr. Garson) indicated that the Acting Minister of National Defence (Mr. Campney) would be speaking some time today with reference to the Currie report. I think it is fair to say that most hon. members of the house have been waiting with some anticipation for that speech. I too have been waiting for it for several hours. But since he is still in his place and has not yet chosen to speak, I feel that I should say a few words by way of comment on what the Prime Minister (Mr. St. Laurent) had to say this morning.

At the outset I want to congratulate the Prime Minister for his forthrightness in the statement he made concerning the fact that there had been an earlier draft of the Currie report in which changes had been made before it was presented to this house, in confirmation of the evidence which I presented on Monday. As I say, I congratulate him on his forthrightness in taking the house into his confidence, as he did; although, along with many other members in this house, I was shocked by what he was called upon to reveal.

He has confirmed the fact that before this report was presented to the house an earlier copy was placed in the hands of the deputy minister of the department that was being investigated, and that that deputy minister apparently was given the opportunity to "vet" the report before it was put in its final form.

I congratulate the Prime Minister for his directness in replying to one of my questions when he said that he himself was a bit surprised that this course had been pursued. I think the surprise he felt was felt even more strongly by many of us in this house.

Here is a case of a department being investigated as a result of certain scandalous events that took place. That investigation arose out of a demand in this house that such an inquiry be made. The promise that the investigation would be made, that it would be thorough and that it would be objective was given to this house by the responsible minister. As we now know, the report is a serious indictment of at least certain sections of that department and the people who come under that minister. Yet it appears that before it was put in its final form, the top people in that department were given a chance to look at the indictment that was to be made of them and to suggest certain changes. Mr. Speaker, most of us in this house feel that is a scandalous way in which to carry out an investigation of this kind. I confess that I felt a bit sorry for the Prime Minister in that he had to admit to the house that this had been done.

I wish also to extend my congratulations to the Prime Minister for something else. I do it with respect to the restraint which I felt he exercised in relation to another aspect of this whole matter. I can imagine some individuals in public life trying to cover up the really serious aspect of the matter by dragging in any red herring that might be found. I can imagine some persons in political life trying to blow up the questions which he asked of me. But he merely asked—and let it go at that—as to how the earlier copy of this report came into the possession of my leader the hon. member for Rosetown-Biggar (Mr. Coldwell). He asked the question—which was one of natural interest; I find a similar interest all over this building—as to how that copy of the report came into the possession of my leader; but he asked it and let it go at that. In other words, he recognized the fact—and he made that clear to the house in what he said this morning—that the important aspect of the matter with which I confronted him on Monday, arising out of the fact that we had in our possession this earlier copy, was the question as to how the changes came to be made and why they were made.

I may say, Mr. Speaker, that I have been in touch with my leader by telephone since this morning's sitting. I regret that, owing to illness, he is not able to be with us this week. He expressed to me the same view as that which I took from the Prime Minister's statement this morning, namely that the important question is not how he came into possession of the earlier copy but rather as to how and why the changes came to be made. In the light of that fact, I say on behalf of my leader that he does not feel obligated to say anything further at this time as to how this report came into his possession. He feels that the important thing for him to do has been done, namely that use should be made of the information that was in his possession so the public might find out what had happened. It is now clear to everyone that if he had not done so—if he had not carried out that obligation by asking me to raise this matter in the house on Monday—we would never have known that this report, this indictment of the Department of National Defence, was placed in the hands of the deputy minister for him to "vet" before it was presented in its final form to the minister and, through him, to the house.

As I have already said, we regard this as a very shocking situation. To us it indicates the attitude that seems to prevail in the Department of National Defence. It has already been made clear in the Currie report itself that it is an attitude toward public expenditure which is scandalous; it is an attitude toward public property which is shocking to the Canadian people, but in addition to that there seems to be this feeling on the part of the Department of National Defence that it is top dog, and that nobody has the right to question its decisions or its wisdom, the way it spends money or the way it operates its affairs. When an investigation is made, it takes the view that that investigation must be submitted to that department and to its top officials before the results of the investigation are made known to the house and to the country.

I was similarly astounded on Monday—and I feel even more that way when I go over the records in connection with this matter—at the fact that the Prime Minister when he tabled the report on Monday, gave us at the same time a memorandum on the Currie report signed by the chief of the general staff. I shall have something to say in a few moments about one of the paragraphs in that memorandum, but what I am saying at the moment is that there seems to be this attitude in the Department of National Defence. To me it is so at the political level, with the minister, and it seems to be so at the general staff level as well, that somehow or other they feel they are top dogs, that they can run the show in whatever way they say. That attitude is clear from what the Prime Minister said in answer to a question which

my deskmate, the hon. member for Melfort (Mr. Wright) asked yesterday when he inquired as to why that memorandum from the chief of the general staff was presented along with the report. "Why, simply because the chief of the general staff asked that it be done." That was, in effect, the Prime Minister's answer. Well, who is running this government? Who is to decide what is to be laid before the house when an investigation is being made into this department? I thought it was understood that Mr. Currie was making the investigation, and that all we asked for, all we were to be given, was his report. But, said the Prime Minister yesterday, at pages 764 and 765 of *Hansard*, in the midst of the speech of my deskmate:

> The explanation was that General Simonds requested that it be done.

It reminds me, Mr. Speaker, of an incident back in the days when Your Honour first assumed the chair as Speaker of this house. I refer to the flour milling report. You remember the information that we got at that time. It appears that the Minister of Justice (Mr. Garson) showed that report to the Minister of Trade and Commerce (Mr. Howe). He did not like the looks of it. So he said to the Minister of Justice that that report must not be made public unless there was another statement by the Minister of Trade and Commerce at the same time so that the report of Mr. McGregor would not be misunderstood. Well, we took a very serious view of that position then. I take the same view now with respect to the apparent insistence by the chief of the general staff that at the very moment the Currie report was tabled, indicting the Department of National Defence, there had to be at the same time a memorandum from the chief of the general staff making certain explanations and demanding that Mr. Currie substantiate some of the statements that were made in that document. Well, Mr. Speaker, I ask you the question: Who is running the show around here, anyway? This is a democracy. The elected people are the ones who should be in charge, and I do not think the chief of the general staff even had the right to make a request like that to the Prime Minister, let alone the Prime Minister yielding to that request.

I have had something to say about the memorandum by General Simonds. I note in particular that the part of Mr. Currie's report that he dislikes the most is referred to in paragraph 6 of his memorandum. The reference is to a certain section in the first part of the report, which brings us directly to the notorious page 17. As I say, I appreciated the forthrightness with which the Prime Minister spoke this morning when he admitted, in reply to questions that were put to him later, that there were some questions to which he did not know the answers, and he said he would try and ascertain the answers in due course.

I think we have to be told somewhere along the line the full story about page 17 of the Currie report. The Prime Minister said this morning that he was informed that it was not the subject of discussion on December 1, at any rate, between Mr. Drury, the deputy minister, and the representatives of Mr. Currie. Later on in the same discussion this morning the Prime Minister said he had no explanation to offer for the changes on page 17. We find in the memorandum of the chief of the general staff that there is a particular complaint about page 17. We now know that the report, before it appeared in its final form, was in the hands of the deputy minister of national defence. We do not know yet whether he showed it to others. One of the questions I should like to ask is whether that copy of the original draft, which apparently has been returned to Mr. Currie, has on it the initials of other people who saw it, and if so how many people did initial it? At any rate, it is clear that it was in the department, that they had a look at it, and for reasons that have not been given, not been explained, it turns out that on page 17, which directs certain remarks against those at or near the top, certain changes have been made. As a matter of fact there were two changes on that page. One of them is already well known, the original having read:

> But, if this spirit permeated the lower echelons of the army, it is more difficult to condone the same attitudes at or near the top.

As everybody knows, this was changed to read:

> —it is more difficult to condone the same attitudes higher up.

In addition to that there was a slight change in the rest of the wording of that page. It goes on to read in the original form:

> There, a higher degree both of intelligence and responsibility is essential. It was not present in the degree required.

The version laid on the table of the house by the Prime Minister has the word "always" inserted, so that it reads:

> It was not always present in the degree required.

Now, the interesting point about the changes on that page is that they seem to soften the indictment on that page and in particular they seem to withdraw a bit of the heat that was directed toward some of those

at or near the top in the army and in the Department of National Defence.

I notice that during the course of this debate there is a tendency on the part of our friends in the official opposition to put all the blame at the political level, and I do not particularly quarrel with them; and I ask them not to get too excited for a moment because I agree with them that in our responsible form of government the final responsibility does rest with the ministers, with the elected people. But they, by putting the full blame there, are eliciting from backbench Liberals around the house interjections that suggest that backbench Liberals think the blame should be put on the general staff. What I do not like about that interchange and that conflict between the Progressive Conservatives and the Liberals is the "either or" aspect of it. It seems to me from the terms of Mr. Currie's report that blame has to be attached at both levels. Blame has to be attached to some of those at the very top in the army itself for permitting conditions which allowed these thefts and this pilfering to take place, and certainly responsibility for there being people at these top levels who would permit that kind of situation rests with the minister himself, and there is no doubt about it that the final responsibility is there. But I think we should make it clear that there is some blame attaching to some of the top army people as well.

Last night the Minister of Justice (Mr. Garson), who I presume has read the report—although I wondered a bit, from some of the things he said—asserted that in his view the whole difficulty was not to be found in any fault in the auditing system, or other arrangements in vogue in the Department of National Defence, but rather in human frailty. Well, you do not have to read very far in Mr. Currie's report to discover that in his view the case is the very reverse. He tells us that there was an open door, and that the only reason there was not more of this was due to the honesty of so many of the great mass of those in the armed forces. I think this emphasis that the Minister of Justice placed last night on human frailty in reference to members of the armed services was unfair, because Mr. Currie says—and it is right there in the early part of the report—that it was a loose situation, an open door, and the only reason there was not more of this kind of thing was that the men in the armed services had not walked through the door that was left open for them.

Well, the whole situation certainly adds up to a shocking and disgraceful picture, and I hope there will be drastic action to deal with it. There are cries among some of the backbenchers on the Liberal side that something should be done to some of those on the general staff. Well, anyone in the army itself who is responsible for any of the machinery, the attitudes and the psychology—and particularly that psychology described at page 17—should be dealt with severely. But certainly at the same time, Mr. Speaker, I suggest that a minister who has permitted this sort of thing to go on—and it has been drawn to his attention time and again; it is several years since some of us first referred to some minor things that the auditor general in his report drew to the attention of the Department of National Defence—a minister in whose department there is a state of affairs such as that outlined in the Currie report should be doing something else than being a minister of national defence. And I earnestly hope, even before we can get around to a chance to let the people of Canada decide upon this matter at an election, that the rumours are true that there is going to be a change, and that somebody else will be in charge of this Department of National Defence, important as it is to the people of Canada and spending, as it does, so large a proportion of the public funds of this country.

I must confess I was startled by the lighthearted and nonchalant references made a moment ago by the hon. member for New Westminster (Mr. Mott). His references were made to the sort of thing that happens under conditions of actual warfare. Surely that does not justify this kind of thing happening here in Canada in peacetime. I believe that upon reflection the hon. member will regret what he said today, making light as he did of these rather huge transactions in pilfering and in downright thieving. I do not believe the hon. member for New Westminster expressed views that he will stand by. I certainly think they are not the views of Liberal members generally, let alone the rest of us. I think, rather, that all of us take this whole question as one of very serious import and serious consequence, and I hope there will be action at an early date.

With regard to this whole question of changes that were made in the report, I say again that I congratulate the Prime Minister (Mr. St. Laurent) upon the forthrightness with which he dealt with this question this morning. The fact that these changes were made indicates two things to me. One is that the changes that were made, particularly on page 17, seem to be with an eye to drawing away such heat as can be drawn away from highly placed persons. I do not like that. If highly placed persons are responsible for these conditions, then the report should have said so, as it did in the earlier version.

The other thing I do not like, and that these changes suggest to me, is something to which

I have already referred, namely the attitude the Department of National Defence seems to have, that it is running the show, that even when its administration has been called into question and is being investigated it has the right to see the report on that investigation, in its earlier form, before it is finally presented to the minister for presentation to the house.

I shall say no more at this time. But I do regard, as do all the members of this group, this whole affair as one that is extremely serious.

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

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, it is very surprising that the members of the government should have been sitting back for three days now, without having a statement of government policy with regard to this Currie report made by one of the ministers. It is even more surprising that this afternoon we should have had the Acting Minister of National Defence (Mr. Campney) sitting in the house for two hours or more, apparently ready to speak; and yet he has let Your Honour call for the vote on the sub-amendment, without rising in his place and making any attempt to justify or to clear up this question on behalf of the government. It is also worthy of comment that apparently the Prime Minister (Mr. St. Laurent) has seen fit to give the junior member of the cabinet the responsibility of explaining the government's stand on this question.

In my 17 years as a member of the house there has not been a more serious or a more damaging report than this Currie report brought before the House of Commons. I am afraid members of the government, and its supporters in the house, do not realize just how serious the report is for the Canadian people. For it is highly critical, highly damaging, even after changes have been made which have the effect of reducing criticism of the government. As the hon. member for Winnipeg North Centre (Mr. Knowles) has just pointed out, it is so significant that this morning the Prime Minister was unable to explain the most damaging change, that which deleted from the original report the words "at or near the top" and substituted therefor the words "higher up". At the same time the word "always" was inserted, thereby greatly weakening the sentence which was so condemnatory of the Department of National Defence. This insertion makes the sentence now read, "It was not always present in the degree required", whereas the original report contained the sentence, "It was not present in the degree required."

This situation is even more serious because the efficiency of the Department of National Defence is most vital at this present time. We are in a period of world tension with the civilized nations of the world divided into two camps, both rearming. We are faced with what is known as a cold war. Canada for the first time is in the position where her shores, and in fact many of her cities and probably most of the key centres, would be under attack in the event of a third world war. We lie on the air route between the Soviet union and the United States, and if a third war should occur Canada would be another Belgium.

This world situation is not one that will end in a matter of weeks or months. It is generally accepted that this period of tension, this cold war, may continue for ten or fifteen or twenty years. Perhaps no one who is in this chamber today will live to see the end of the cold war. As things stand at the present time there will be an end to it only if we go into what will be a very hot war. I repeat that under those conditions the efficiency of the Department of National Defence is vital to the nation.

The efficiency of that department is vital for another reason. Our people are being called upon to make a great effort, essentially in support of this defence department. Our young men are being asked to volunteer for service in Korea and Europe. Many of them have been killed and several hundred others have been wounded. This call is going out to the young men of Canada to make a sacrifice for their country. We see these advertisements in the papers every week urging our young men to enlist, to do their part to help the country. Surely the one thing to which they are entitled, without any question, is to have behind them a Department of National Defence which is even more efficient than any other department of government. It is not a question of the staff, or the minister, or his assistant; the Department of National Defence as a whole should be the most efficient department of government in Canada today.

Not only are young Canadians being called upon for these sacrifices; all Canadians are being taxed to a crippling degree in order to support the work of this defence department. I was amazed to read in the press this morning a report of the speech delivered last night by the Minister of Justice (Mr. Garson). Unfortunately I was able to hear only a small part of that speech. This report states:

> Justice Minister Garson said last night in the Commons that Canada is not overtaxed and the government does not admit any large-scale extravagance or carelessness in the civil service.

The heading is, "Canadians Said Not Overtaxed". I do not know where the Minister of Justice has been in recent months, or in recent years in fact. He is probably the only Canadian in the whole nation who does not believe that the Canadian people are being overtaxed. He is just that much behind the times.

We have a sales tax in Canada of 10 per cent, the highest in the history of the country. This tax is levied at the manufacturing level and then pyramids as it goes down to the level of the person making the purchase. We also have an income tax which is the highest we have ever had in peacetime, and which is making it extremely difficult for hundreds of thousands of Canadians to save for their old age. They are being placed in the position where they have to rely on security measures of one kind or another. Our corporation taxes are so high that there is not sufficient money available in Canada for the development of our resources, and billions of dollars must be brought in from the United States.

As I have said, a great portion of this money which is being taxed away from the Canadian people is devoted to the work of the Department of National Defence. Almost half of our budget for this current fiscal year is for the requirements of that department. I repeat that if there is one department of government which must be efficient at this time, it is the Department of National Defence.

I submit that the Canadian people and this House of Commons are entitled to a full statement of what the government proposes to do to remedy the defects outlined in the Currie report. Furthermore they are entitled to have immediate action taken to clean up this mess. So far we have had no such statement from any minister of the government. It would look as though all we are to get is a delayed explanation by a junior minister. In saying that I do not wish to belittle the minister in any way because he is a friend of many years' standing. He is also a neighbour and one of my constituents.

An hon. Member: Does he vote for you?

Mr. Green: I have not much hope of getting his support in the next election, but still I have to be a little careful. I repeat that this is not a job to be handled by a junior minister of the crown.

Steps should be taken at once to increase the efficiency of the defence department. That cannot be done successfully by the present Minister of National Defence (Mr. Claxton). I say that for several reasons. He too is a man for whom I have a great deal of respect, but I think he has the wrong portfolio. He has shown clearly that he is not sufficiently practical to clean up a mess of this kind. We need only refer to the report to find where he has been negligent, and I turn to page 712 of *Hansard* where we find this paragraph in the Currie report:

> Before reciting the irregularities and their circumstances uncovered by the R.C.M.P.—with the assistance later of the provincial police and the army provost corps—it must be said—

These are the important words of the paragraph.

> —that internal warnings had not been lacking in the Department of National Defence. The chief auditor of the department had performed his functions conscientiously. Time and again he had reported unsatisfactory conditions. This is clear from appendix "B" which summarizes his findings over a period of years. The deputy minister in each case had directed the quartermaster general to investigate and report. Lack of adequate action at this point had, however, caused a progressive deterioration in the situation. Aside from reports being delayed for considerable periods of time, the record shows the next audit revealing conditions similar to those previously reported and, in some cases, worse. The process is then again repeated.

What greater condemnation could there be of the Department of National Defence? What greater condemnation could there be of the deputy minister; and as such it must be taken as condemnation of the minister himself. Long ago he knew or should have known of these conditions, and he should have seen to it that they were cleaned up. If he had been an efficient, businesslike administrator he would have had them cleaned up.

Then I also suggest that the attitude of the minister is condemned in a paragraph on page 716 of *Hansard*. The minister was one of the higher-ups at least, and he certainly was at or near the top. The criticism contained in this paragraph must be taken as applying to him as well as to others. I think it is a perfectly accurate criticism of the minister. The heart of the paragraph is contained in the words, "costs count not at all." That has been the attitude of the minister. I am going to read the whole paragraph because I think it is a very reasonable statement of what we would expect. It reads as follows:

> The situation was complicated by still another factor. The Department of National Defence (including the army works services)—

You will note that the army works services are only given attention by being included in brackets.

> —was largely staffed and manned by men whose military training had been received in wartime. Its establishment and administrative practices reflected more clearly the urgent need and exigencies of war, when speed is everything and costs count not at all.

By the way, the minister's training took place in that same period, and I suggest that he has the attitude referred to in this paragraph. I continue:

> The carry-forward of this war psychology must be coupled with inadequate training and resultant ignorance on the part of personnel of their administrative duties and responsibilities. There was, in addition, indifference and reluctance on the part of military personnel to concentrate on administration to the degree required. It was not perhaps unnatural that these latter needs were largely forgotten or deliberately overlooked as soldiers gazed forward into the unknown consequences of the Korean outbreak, and foresaw still greater wars not very far away. But, if this spirit permeated the lower echelons of the army, it is more difficult to condone the same attitudes higher up.

In the unabridged or unrevised edition the words are "at or near the top."

> There, a higher degree both of intelligence and responsibility is essential. It was not always present in the degree required.

The original edition does not contain the word "always". The minister had exactly that same background and his faults were the same as those of the others who were involved. It is to that this reference is made. It is no wonder, Mr. Speaker, with this attitude that costs count not at all, that we find such heavy overpurchasing. We find tenders called for 62,000 serving forks. After protest is made we find that cut to 40,000 and then to 14,000. I hear now that the latest call for forks is only for 220, which is a great deal more in line with the number of serving or cooks' forks that are required. We have had the purchase of over a million pairs of shoes and all the other overpurchasing.

I prophesy that in the final analysis many of these things will be turned over to the Crown Assets Disposal Corporation to be sold at fire sale prices. I think the time has come when civilian goods of this kind should not be purchased in such large quantities, because if there should be a demand for them they can be made quickly by the existing industries. That is the trend now in the United States. In the *United States News and World Report* of December 5 I read a statement that they are planning now in the United States to set up reserve capacity to produce the requirements rather than manufacture the actual goods in such large quantities and then stockpile them, thereby probably bringing about obsolescence in many items and altogether a great waste of money.

Just last week I had one more example of the way the Department of National Defence has been carrying on. I have here the specifications that have been sent out to the tailors of Canada for the making of a peaked cap for air force officers. The document is called, "Tailoring specification to guide private procurement." There are five written pages of specifications for air force officers' caps and two blueprints. Here I have the first blueprint, which has to do with the chin strap on the cap. There are half a dozen drawings on it. I do not know whether they go down to the millionth of an inch, but they go down pretty small. All of the first blueprint has to do with the chin strap to go on the air force officers' peaked cap. I see that on the blueprint it says: "Note: tolerance: unless otherwise specified all fractional dimensions $\frac{1}{32}$ of an inch." The blueprint of the chin strap is dated October 27, 1952 and is issued by the directorate of interservice development, Department of National Defence. There is a note on it to the effect that it has been drawn by one individual and that the order has been placed or approved—I cannot read the word—by another. It is approved by another individual and checked by a third. That is the specification for a chin strap for an officer's cap. It looks like a machine gun specification.

There is here another specification, even larger, for the cap itself. There is a view of the cap from the north, east, south, and west —and it is also down to $\frac{1}{16}$ or $\frac{1}{32}$ of an inch tolerance. It has also been checked by three different officials in this directorate of the Department of National Defence. Now, what earthly hope is there of having an efficient Department of National Defence when you have business carried on in that way?

I say further that the Minister of National Defence cannot organize this department efficiently because he has failed time and again to heed the warnings given in this house. Not only have they been given to him for years, but he has always answered that everything was all right; why were we worrying? It was all a lot of waste effort. His attitude in the house was so different from the attitude of the hon. member for Quebec South (Mr. Power) when minister of national defence for air. In those days he came into this house and told us frankly what things were bothering him. He said: My department has been making mistakes in this regard and in that regard. I admit it. And he asked the members to help him out. He asked them to give him suggestions for ways in which those defects could be remedied; but there is nothing of that kind with the present Minister of National Defence. He does not admit errors, and he has been pitifully complacent about these warnings that have been given to his department.

Finally, Mr. Speaker, the Prime Minister is the one and only minister of the crown who

can take adequate action to meet this situation. He and he alone can call for the minister's resignation; and what is required is a new minister. It is high time this Department of National Defence was put on a businesslike basis. Furthermore, the Canadian people are entitled to a statement by the Prime Minister on this Currie report. He cannot delegate his responsibility for explaining the government's stand to any other cabinet minister, and I hope he will give this house his views with regard to this whole question.

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, before the vote is taken on the amendment to the amendment I wish to deal with that motion and to indicate the course we propose to follow in regard to it.

The amendment to the amendment is put forward in the following motion:

> That the amendment be amended by adding thereto the following:
>
> "(f) To recommend legislation providing for the payment to producers, in respect of farm-stored grain, of an advance equal to 75 per cent of the initial price as established at August 1 in each crop year."

In dealing with the amendment now before us, it must be realized that the rules do not permit us to introduce any amendment to the wording of this subamendment. We must deal with it in its present form, whether we like that form or not.

In effect this subamendment does two things. It is a proposal that legislation be introduced to provide for a cash advance to producers in respect of their farm-stored grain equal to 75 per cent of the initial payment the producer would have received if he had been able to deliver that grain to an agency of the wheat board. The other effect of this resolution is to express want of confidence in the government in regard to their handling of the very large grain crop this year.

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.

I emphasized this in my own remarks in the early stages of this debate on the speech from the throne. I would like to quote what I said on November 24 regarding this very subject, and I am reading from page 27 of *Hansard*:

> 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.

As evidence of the fact that the government has not been meeting this situation, I would refer by way of illustration to the evidence furnished by a reply which was given today by the Department of Trade and Commerce. In response to a query as to the capacity of the dominion government grain elevator at Lethbridge, the answer shows that in November, which was the peak month this year for the handling of grain, that government grain elevator—at a time when there is such an accumulation of grain in western Canada—had only one-third of its actual capacity occupied. In the answer by the Department of Trade and Commerce the capacity of that elevator is given as 1,250,000 bushels, but in November there was stored in that elevator 457,161 bushels. That is merely evidence to support the statement that the government should be taking action to deal with this question.

For that reason we certainly support the purpose of this subamendment in principle. Legislation should be introduced to make cash available for grain which it has become necessary to store on the farms because of the abnormal conditions this year.

In dealing with the wording of any amendment or subamendment it is not possible to cross every "t" and dot every "i". We cannot vary the wording. Dealing with this subamendment strictly upon the basis of principle, we unhesitatingly support the proposal for legislation which will meet the urgent needs of the farmers of western Canada at this time, in accordance with what I have already said on behalf of our party at an earlier stage in this debate. On the ground, and recognizing that much more needs to be said in regard to the details of the legislation and the procedure by which this principle would become operative, all of which can be dealt with when the legislation is actually before us, we do propose to support this subamendment and hope that the government will accept the principle which it establishes, so the farmers of western Canada

may know that they are going to be able to meet the critical financial problems which confront them at this time.

The other feature of this subamendment is that it amounts to an expression of want of confidence in the government in regard to its handling of the present grain crop. From what we have already said there need be no doubt that we welcome the opportunity to express by our vote the strong criticism we believe should be directed against the government for their failure to deal with this situation which was so clearly anticipated many months in advance. With that matter I have already dealt in this debate. They have failed to take appropriate steps to meet a situation which had been openly discussed for a long time. They have failed to make transportation facilities available. They have failed to make arrangements under which the farmers can obtain the necessary cash for their daily requirements and their future production. On this ground we support the subamendment as an expression of criticism of the gross incompetence of the government in dealing with a situation which was apparent for a long time.

Mr. P. E. Wright (Melfort): Mr. Speaker, before the vote is taken on this amendment to the amendment I feel that I should say a few words with regard to it. I am pleased that the Leader of the Opposition (Mr. Drew) has indicated that they will support the subamendment. As a matter of fact it is not asking for a great deal, if we consider the position of the wheat grower in the United States. We in western Canada farm under much the same conditions as do the wheat producers in the areas to the south of us. In the United States the wheat producers have what is known as a parity price for their wheat, based on the conditions which existed in that country from 1909 to 1914. Provision is made for a cash advance on farm-stored grain in the United States which is equal to 90 per cent of that parity price at the present time. That provision enables the farmer in the United States, under similar conditions, to obtain approximately $2 a bushel as an advance on farm-stored grain. In this amendment all we are asking is 75 per cent of the initial price of grain as determined by the government on August 1 of each year. On that basis, this year it would mean an advance payment of between 85 and 95 cents a bushel to the average producer in western Canada.

In view of the similarity between the conditions which exist in the two largest wheat-producing areas in the world, we feel that in western Canada we should have somewhat similar treatment. The fact that this or some similar payment is not made available means that in the fall of the year many of the producers in western Canada, in order to get cash to meet their obligations which come due in the fall, are obliged to sacrifice some other product which they produce. Quite often this takes the form of selling their livestock; and that is what has taken place over the last number of years. The farmer has not enough money available, under the initial payment and the quota, to meet his obligations. He is therefore obliged to sacrifice his livestock. That is one of the reasons we get congestion in our livestock market in the fall of the year, with the result that at that time prices to the producer are demoralized.

When I was in western Canada this fall we were marketing first-grade beef cattle at from 18 cents to 21 cents a pound, where they were under the weights required. Under the floor price legislation which was provided for beef at that time, an animal had to dress 700 pounds. There in western Canada, as I said, I saw first-grade beef cattle weighing from 1,000 to 1,200 pounds live weight, and dressing from 500 to 600 pounds, being sold for 18 cents to 21 cents a pound. After I came down east here to attend the session of parliament I happened to be on a farm in eastern Ontario, and the farmer showed me a return which he had received that day on a three-year-old Holstein steer which he had sold, and which weighed 1,600 pounds. He received 25 cents a pound for it. He received in the neighbourhood of $400 for an inferior beef animal which we were selling in western Canada, dressing somewhat less, for in the neighbourhood of $200.

If some provision were made whereby cash could be made available to farmers in Canada as suggested in this subamendment, I am certain that it would prevent chaotic conditions in the marketing of other agricultural products in the fall of the year. I see no reason why it cannot be done. It is all right for the government to say that the farmer can go to a bank and get money if he needs it, when he has good marketable grain in store on his farm. But there are many farmers, especially the smaller ones, who over the years have had little dealings with the banks. It is all right for the large farmer who has a section or two of land. He has probably had dealings with banking institutions over the years, and he can obtain the credit that is necessary to carry on in an emergency. The smaller farmer, however, the man who has not had dealings with the bank and whom the banker does not know, finds it exceedingly difficult to obtain the necessary credit.

I do not intend to press this matter further, but I think the government should give

serious consideration to the amendment to the amendment moved by the hon. member for Assiniboia (Mr. Argue).

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

YEAS

Messrs:

Adamson
Argue
Balcer
Blair
Brooks
Browne (St. John's West)
Bryce
Casselman
Catherwood
Charlton
Churchill
Courtemanche
Coyle
Diefenbaker
Dinsdale
Drew
Fair
Fairclough, Mrs.
Ferguson
Fleming
Fraser
Fulton
Gillis
Graydon
Green
Hansell
Harkness
Hees
Herridge
Higgins
Hodgson
Johnston
Jones
Knight
Knowles
Lennard
Low
Macdonnell (Greenwood)
MacInnis
MacLean (Queens)
McGregor
McLure
Montgomery
Murphy
Nickle
Noseworthy
Nowlan
Pearkes
Quelch
Robichaud
Spence
Starr
Thomas
Tustin
White (Hastings-Peterborough)
Wright
Wylie—57.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Balcom
Beaudoin
Benidickson
Bennett
Bertrand
Blanchette
Blue
Boisvert
Boivin
Boucher
Bourget
Bradette
Breton
Brisson
Bruneau
Cameron
Campney
Cannon
Cardin
Cauchon
Chevrier
Cleaver
Cloutier
Corry
Cote (St. Jean-Iberville-Napierville)
Cote (Verdun-La Salle)
Croll
Cruickshank
Darroch
Dechene
Decore
Demers
Denis
Deslieres
Dickey
Dube
Dumas
Eyre
Ferrie
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fulford
Gagnon
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Lapointe)
Gauthier (Portneuf)
Gauthier (Sudbury)
Gibson
Gingras
Gingues
Gour (Russell)
Gourd (Chapleau)
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hetland
Hosking
Howe
Huffman
Hunter
Jeffery
Jutras
Kickham
Lafontaine
Langlois (Berthier-Maskinonge)
Langlois (Gaspe)
Lapointe
Larson
Lefrançois
Leger
Lesage
Little
Macdonald (Edmonton East)
MacKenzie
MacNaught
Macnaughton
McCann
McCusker
McIlraith
McIvor
McLean (Huron-Perth)
McMillan
McWilliam
Major
Maltais
Masse
Monette
Mott
Murray (Cariboo)
Mutch
Nixon
Pouliot
Power
Proudfoot
Prudham
Ratelle
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Riley
Roberge
Robertson
Robinson
Rochefort
Rooney
Rousseau
St. Laurent
Schneider
Stuart (Charlotte)
Studer
Tremblay
Valois
Warren
Weaver
Weir
Whiteside
Whitman
Winkler
Winters—127.

Mr. Speaker: The question is on the amendment.

Some hon. Members: Question.

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

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

COMMONWEALTH CONFERENCE

MEETING OF PRIME MINISTERS FOLLOWING CORONATION

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, may I beg the indulgence of the house for a moment before it is called six o'clock. I have here a statement which was made in the House of Commons at Westminster this afternoon. It was agreed at the meeting of commonwealth prime ministers and representatives attending the economic conference on December 11 that Mr. Churchill should make an announcement before parliament rose on December 19. The announcement is in the following terms:

> I am glad to be able to inform the house, that after consultation between the prime ministers of members of the commonwealth, and in accordance with precedent, it has been agreed that a meeting of commonwealth prime ministers should be held in London immediately after the coronation next year.

I understood that Mr. Churchill made this announcement in the House of Commons at Westminster at or about half past three this afternoon.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. J. L. Deslieres 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.

Hon. R. O. Campney (Acting Minister of National Defence): Mr. Speaker, before addressing my remarks to the Petawawa incident and some related matters, I should like to dispose of the question that has been raised from time to time, I think twice yesterday, with respect to the retirement of Brigadier Connelly. I should like to do this by reading to the members of the house a statement prepared by the Minister of National Defence (Mr. Claxton) which reads as follows:

> Hon. members are well aware of the confidential nature of the relationship which must exist between the Minister of National Defence and his service advisers.
>
> The head of each of the armed services is responsible for the efficiency of his service and it is part of that responsibility to make recommendations regarding the retention or retirement of officers having regard to the best interests of the service.
>
> The chief of the general staff recommended to me that Brigadier Connelly should be retired and after discussing the matter with the chief of the general staff I felt that the retention of Brigadier Connelly would not be in the interests of the services or of the public and therefore approved the recommendation.
>
> This retirement was dealt with entirely as a military matter and the Secretary of State for External Affairs had nothing whatever to do with it in any way.

That is the end of the minister's statement.

I have listened throughout the past few days with very great interest to the Leader of the Opposition (Mr. Drew) and his followers in their attempts to indict the Minister of National Defence and embarrass the government by playing up a relatively small matter into one in which they seek to involve the whole of the army and the whole of the Department of National Defence. The basis on which they seek to raise this amazing superstructure is the activities of a few crooks and thieves at Petawawa who stole and converted to their own use equipment and stores at the army works services depot there. By exaggeration and by irresponsible statements and unreasonable deductions, they have in my opinion succeeded in working themselves into considerable hysteria politically, which political hysteria they seek to pass on to the people of this country. Maybe that is just another way of saying that they appear to be endeavouring to play politics with the Currie report.

Mr. Pearkes: On a question of privilege, the minister cannot read that into any remarks which have been made.

Mr. Stuart (Charlotte): A whole lot worse than that could be read in.

Mr. Lennard: The Currie report speaks for itself.

Mr. Campney: I am sure now that any remarks of mine will not have any effect upon the members of the opposition in this regard.

Mr. Pearkes: Not if they are that kind.

An hon. Member: Or on the people of Canada.

Mr. Campney: On that point I disagree with my hon. friend opposite. It might be helpful to members of this house and to the people of Canada generally, whom after all we represent here—

An hon. Member: What representation!

Mr. Campney: —to have the situation reduced to its proper proportions and dealt with coolly and factually, and with due regard to the use of words and some sense of proportion. The situation at Petawawa arose primarily from the operations of certain crooks, some of them within the service and some of them civilians outside the service, who conspired together to steal and convert and turn to their own use certain stores and equipment at Petawawa.

I should like briefly to run over the narrative of that phase of the matter. I might say that in the late summer of 1951 the provost corps, the inspector of quartermasters' services and the auditor general's representative in checking over the situation at Petawawa, which was growing in activity at a tremendous rate, found some minor irregularities. They were not very great ones, but they were sufficient to lead them to be reported to the department. That report was under consideration and remedial measures were also under consideration when the letter referred to in Mr. Currie's report was received. That was in October.

As soon as this letter was received the Royal Canadian Mounted Police were asked immediately by the minister to make a thorough and complete examination of the situation at Petawawa. This the R.C.M.P. proceeded to do, assisted by the officers of the provost corps.

By February of 1952 sufficient information had been accumulated to indicate that a conspiracy did in fact exist, as I have inti-

mated, and that individuals additional to those at first suspected were implicated in the conspiracy and theft. The minister immediately appointed local counsel, and later appointed Mr. J. W. Pickup, Q.C., now chief justice of the high court of Ontario, as senior counsel. Prosecutions were launched and that was announced by the minister in the House of Commons on April 21 last.

Those prosecutions were launched as promptly as the accumulated facts warranted and were pressed to conclusion as speedily as the processes of the courts would permit. Five military personnel and ten civilians were charged. Of the five military personnel, two were officers and three were non-commissioned officers. Four of the five military personnel were convicted and sentenced, as were eight of the ten civilians. In addition, disciplinary action was taken against a certain number of other military personnel as well.

The evidence adduced at the trials indicated that a fairly comprehensive system of collusion had been worked out between those within the service and those without. That is why it probably took longer than would ordinarily have been the case where a straight theft had occurred, to correlate the information and ensure that the guilty persons might be punished. That in brief is the story of the criminal side of the Petawawa matter.

I submit that in all the steps in that connection the minister acted with dispatch, the department acted with dispatch and the guilty people were in fact punished. I do not think there is anything very earth-shaking in that, because thefts do occur and conspiracies do occur. They occur in all phases of our day to day life. Because a bank is robbed, you do not seek to indict the president. Because gold is stolen from a mine, you do not start out by arresting all the directors.

These things happen. Nobody likes them; nobody approves of them, but they take place. The fallibility of human nature is not confined to any particular class of people or to any particular area. Yet from the strictures which I have heard, especially yesterday and today, it would appear that it is sought by opposition members to hold the Minister of National Defence liable for all these incidents of stealing, petty thieving and pilfering which occur throughout the tremendous properties, buildings and areas which the Department of National Defence operates. So far as the thefts at Petawawa are concerned, while nobody condones them, and certainly nobody approves of them, they were not as a matter of fact in the aggregate of very great magnitude—

An hon. Member: We don't know what they were.

[Mr. Campney.]

Mr. Campney: —and I think Mr. Currie's report indicated that.

Mr. Ferguson: How can you tell what they were?

An hon. Member: Mr. Currie does not know.

Mr. Campney: I do not know whether Mr. Currie knows, but he looked at all the evidence adduced in the police courts. He quoted a lot of it for the benefit of my friends opposite and he makes this finding or submission. On page 11 of the report he says:

> The evidence examined does not disclose irregularities involving relatively large sums of money, but, rather, an impressive array of petty irregularities on an extensive scale.

Again he says:

> No reliable estimate of the total loss can be prepared. It does, however, appear probable that the total loss resulting from misappropriations and irregularities by military personnel at Petawawa was not large.

Again at page 11—

Mr. Pearkes: Finish that paragraph.

Mr. Campney: —he said:

> The police, too, have been able to recover by far the greater quantity of the missing goods, and these have been returned to stores.

It seems to me that what I have stated is a fair and complete record of the thieving itself and of the incidents that took place at Petawawa. The situation was a local one and would ordinarily be treated as such and dealt with by the police and the criminal courts. There is no new evidence cited in the report that was not available in the criminal courts, and that was not used there. In short, all the incidents to which Mr. Currie refers by way of evidence, as it were, took place in 1950 and early 1951, and were all public property a long time ago.

But there is another side of the Petawawa matter, and I should now like to address myself to that. I refer to the question of the operations of the Department of National Defence at Petawawa. Coincidentally with the minister authorizing the appointment of counsel, the launching of prosecutions and the criminal proceedings at Petawawa, in view of the extent to which these things seemed to have prevailed from the information that had been gleaned, involving, as I said, five military personnel and ten civilians, the minister took the view that he ought to have the whole situation reviewed apart from the criminal prosecutions to see what was the situation at Petawawa within the departmental picture. Accordingly he appointed Mr. George Currie to make a complete investigation. I should like to quote a few sentences from the minister's statement in the

house on April 21 when he announced the appointment of Mr. Currie. He said:

—I have engaged Mr. George S. Currie, chartered accountant of Montreal, a former deputy minister of national defence, to make a full investigation of the situation, security and accounting procedure for engineer stores, equipment and services at Petawawa and elsewhere . . . Everything possible will be done to get to the bottom of this situation and take such action and adopt such remedies as may be required.

I should like to observe in passing that the appointment of Mr. Currie was made by the Minister of National Defence (Mr. Claxton), and was not made by the house or by the government. His appointment was made at the instance of the minister in an effort to find out what the situation was at Petawawa with a view to having that situation remedied. As I will develop a little later, by reason of the fact that Mr. Currie was appointed and engaged by the minister he worked with officials of the Department of National Defence. They worked with him. Everybody was interested in finding out what had really happened to permit a conspiracy of members of the service with outside civilians to develop at Petawawa. If the minister had been so disposed, I think he might very well have regarded Mr. Currie's report as a document privileged to him, but he did not take that view. He never did take that view.

On the other hand he never said in the house in any statement he made that he would table the report or that he would regard it as a parliamentary document. I am not raising the issue and I am not arguing it; I am merely saying the fact is that he caused the Currie report to be tabled voluntarily because he felt that members of the house should know what the situation was. I think in doing so he showed courage, although he has incurred certain opprobrium from the members of the opposition by reason of what was in the report. I want it to be clear on the record that the report was made by a man engaged by the minister as a minister.

Between the date of the appointment of Mr. Currie and the filing of his report Mr. Currie was given access, and properly so, to all records of the department and of the army works services and depots, and to all the information and assistance from the officials of both that he desired. The result was that he made a survey and a study not only of Petawawa, where the incident which provided the occasion for his appointment arose, but of army works service units at Toronto, London, Camp Borden, Barriefield, Vancouver, Regina, Quebec and Halifax. He visited army works service depots, studied their situations and based a report thereon.

He came to certain conclusions with respect to army works services in general and with respect to Petawawa in particular. His conclusions were in the first place that there had been some break-down in administration, supervision, accounting and security in the depots operated by the army works services, and I propose to deal with that a little later. He also stated, as indicated at page 2 of his report, that notwithstanding the fact that he did not think operations were all that could be desired, only at Petawawa were there any substantial losses from the irregularities. This is what he had to say:

It does not fit the facts to indict or to smear the whole army works services personnel because of the sins of a handful of crooks.

So far as I know he found no other handful of crooks than those at Petawawa, and he studied all depots throughout the country.

An hon. Member: That is not so.

Mr. Campney: So far as his general recommendations and findings are concerned, he also stated that the system of accounting would seem to be a proper one but that it was not operated properly, and I should like to make some comment on that. Before I do so, I should like to deal for a moment—because I think we should look at these things practically and realistically—with the army works services, what they were and what happened to them in two or three years.

The army works services are chiefly maintenance units, small in size, which look after running maintenance and minor construction at army camps throughout the country. In most cases up until Korea or just before their work was not relatively very extensive. For example, at Petawawa camp in 1947 the army works services were on a sort of caretaker basis. It was a big camp, but they had about 100 personnel and spent probably $100,000 a year in maintenance of that camp. Now, as is indicated in Mr. Currie's report—and of course verified by the figures from the department—that has all changed. As he states at page 16 of the report:

During the 1952-53 period, the Petawawa detachment will expend something in excess of $1 million on its own account, as well as having administrative responsibility for supervising some $20 million of new construction—

In other words, from spending $100,000 per annum in five years that unit had to take care of spending $1 million and supervising another $20 million, while its personnel has increased from about 100 to between 400 and 500. I think any practical person will realize —in civil life or in army life; it doesn't matter—that to step up an organization from 100 to nearly 500 or we will say 450, and from spending $100,000 to spending $1 million

per year and supervising the expenditure of $20 million per year as well is a big increase in duties and responsibilities in a short period of time. The difficulties that would be encountered in finding suitable technical people would be, and have continually been one of the most serious problems of the Department of National Defence ever since the expansion of the army started.

At Petawawa today we have two complete regiments with all ancillary services, over 4,500 people. We have a huge establishment that has to be looked after by the army works services.

I would now like to make a few observations with respect to what I said about Mr. Currie's statement that the accounting system seems to be all right but that it was not operated properly.

Mr. Adamson: Accounting if necessary, but not necessarily accounting.

Mr. Campney: I would like to make a few observations on that. In 1948 the Department of National Defence itself made an intensive study of the army works services and of the accounting and supervising system. A complete reorganization was effected, and now we have 16 works companies with 33 detachments distributed throughout Canada from Vancouver to Newfoundland and from the north to the south of Canada. We have a personnel of about 7,500. It was intended that this system of accounting and supervision would be introduced into the army works service units in 1950 and 1951 as fast as suitable personnel could be obtained. Mr. Currie, at page 12 of his report, recognizes the efficacy of this system when he says—and it is this system to which he is referring:

> The fault did not lie in the accounting system, which was a good one had it been operated properly.

I want to make some remarks on that later.

> It was a new system, based on American and British as well as Canadian experience, and embodied features which, theoretically, would have quickly checked irregularities as they appeared.

He also says:

> The accounting system, however, was not properly operated, nor were the regulation inventories methodically carried out.

That is true and there are reasons for it. The reaction on the part of any member or any citizen would be: Why was not the accounting system carried out? I think that is a fair and reasonable question, and it is a question that should be answered. I will try, in my humble way, to give an answer to that question, although Mr. Currie almost does it for me on page 15 of his report when he says:

> —the problems, difficulties and shortcomings of the army works services outlined above—

which he had dealt with—

> —suggest that they have been caused for the most part—but by no means altogether—by the tremendous and sudden expansion of its activities brought about by the Korean war and by the large scale defence program involved in carrying out our NATO activities.

Again he says:

> The establishment approved for the army works services after the second world war did not envisage the sudden expansion which was to take place in 1950. It was designed to carry out a purely peacetime role of planning, development and construction on an annual expenditure of approximately $20 million. This establishment became quickly burdened under the impact of big scale rearmament. In September, 1950, the program was increased to about $80 million. In the following April, it was increased to about $200 million. The program envisaged in the 1952-53 fiscal year aggregates about $250 million. The magnitude of this responsibility is reflected in an investment in plant and buildings which now amounts to $750 million and is still rising.

The question which follows from that—because after all that is an enormous expansion—is, why could not the army keep up with the rapid expansion? Civilian industry cannot do it always, although it does do it sometimes. The pertinent question in my mind, and I think in the minds of all members, is why could they not keep up with it. Well, I should like to say that there are probably three reasons why the army was not able to keep up with that expansion. The first reason is, I think, the root of some of the difficulties that have been encountered in the army works services. The army works service depends, as far as its direction is concerned, on engineers and accountants. They must be available and they must be on hand at all those depots, and they must be competent and trained.

As the demand by the army for engineers and accountants grew, the civilian demand for the same people was also growing. As between the army and the civilian industry of this country, the civilian industry is not bound by any particular restrictions or regulations. They go out, and nobody can complain of it, and pay any price to get what they go after—if they can afford it. Now, the army has to operate on regulations, on rank, and on salaries and allowances. They cannot go out and get a captain of engineers today and pay him what they have to pay him, and then go out and get another one tomorrow and pay him something different. They have to operate within a framework. The same thing applies to their civilian supervisors such as accountants. In that connection, and I do not say so with any disparagement, they also have sitting over them a body known as the civil service commission. The civil service commission has its categories for accountants and it has its salary

range. As far as I can tell from looking quickly at the relevant figures, an engineer entering the armed services from college, or an accountant after his graduation, will take about five years to arrive at the point from which he could start in very many commercial industries.

That is a real problem, and you do not solve it by drawing something out of a hat. The department had to do the best it could and it had to try and train a lot of people itself. The department did try to train them while work was piling up and piling up still higher. As reasonable people, can hon. members imagine how much time the meagre staff we had in those depots had for training other people while they were also carrying out duties many times in excess of those which they had ever carried out before? That was the problem the department had to cope with.

Mr. Diefenbaker: Would the minister allow a question at this point?

Mr. Campney: Yes.

Mr. Diefenbaker: Does the minister say that it was a shortage of trained staff which caused this difficulty?

Some hon. Members: No, no, no.

Mr. Campney: I would think that is so, because we were understaffed at those places and duties were ever increasing. There is no question in my mind about that. Of course there is always the human factor too. I am not ruling that factor out because the fallibility of people also has a bearing. When you have to get a large number of people in a hurry you cannot be quite so particular about the type of people you get; and the people you get, whether they are on the civilian side of the department or in the army, are just like everybody else; they are good, bad and indifferent. You do not get all perfect people; because whether it is an army unit or in the civilian services of the Department of National Defence, there are always a few people who go wrong. But who does not have such people? Commercial companies have them. Every department of government has them. You cannot avoid that.

I would ask hon. members to keep in mind at all times that while we were trying to solve these problems there was a continual burden being thrust upon the army works services which in some cases was almost fantastic as compared with what they had had to do two or three years previously. That is a real problem for anybody to try to solve. I do not think any reasonable man will fail to recognize the effect of that problem on the development of a large service in a short period of time, especially when we consider the increasing and expanding industrial life of this country.

The situation is now improved and is still gradually improving and will be restored, but it will take some time yet before all the various units are really what they ought to be. That is nobody's fault. It just cannot be done except gradually and steadily, and that is what we are trying to do. I think we should recognize that Mr. Currie was right when he said:

> It does not fit the facts to indict or to smear the whole army works services—

I quoted that language before.

Mr. Drew: What page is that?

Mr. Campney: Page 2.

An hon. Member: Page 87.

Mr. Campney: He says:

> It does not fit the facts to indict or to smear the whole army works services personnel because of the sins of a handful of crooks.

In other words we have to look at the two pictures. There is the case of the thefts and there is the case of the administration, and you have to look at them not only together but separately as well. I should just like to say—

Mr. Drew: May I ask at what point on page 2 that quotation is to be found?

An hon. Member: Have you not read it?

Mr. Campney: It should be on page 2. No, it is my mistake; it is page 3.

I have tried to show some of the reasons why I say the general situation was one that was created by circumstances beyond the control of the Department of National Defence or beyond the control of any organization to meet quickly and effectively in the light of the situation with which we were faced. I say that the opposition has sought to take the incidents at Petawawa and magnify them into a general criticism of our stores accounting system and, at least by inference, to say that the whole system has something wrong with it.

An hon. Member: And so it has.

Mr. Stuart (Charlotte): That is your opinion.

Mr. Campney: I should like to take one incident and set it off against that. That is the case at Plouffe park. I should like to quote not a member of the official opposition —because I have not heard any of them mention this incident—but a member of one of the opposition groups, in connection with that particular operation. No. 26 ordnance depot at Plouffe park is one of the largest in Canada, of course. As of November 30 of this year it had a stock of $97 million worth

of goods—almost $100 million worth in fact—comprising 30,000 different types of items. This depot turns over $30 million worth of stock a year and handles approximately 230,000 separate items. When we were considering this particular subject in the select committee on defence expenditure, we made a visit to Plouffe park and after we had done so the hon. member for Winnipeg North (Mr. Stewart) at the next meeting of the committee on May 27 said, as reported at page 287 of the minutes of proceedings and evidence:

> What I wanted to see was a lot of detail. And all we did see was these principles whereas what I was interested in seeing was how these principles were put into effect, how the record worked, how the stock gibed up with the actual record of stock kept—those were details in which I was particularly interested. I am quite sure none of us have seen them in the time at our disposal yesterday but I got the impression that we only saw what we were expected to see. I may be quite wrong but I do want to see something else.

It was arranged that the hon. member should go down to Plouffe park, look around and check up in any way that he liked, and he did so. Then on June 3, in the select committee on defence expenditure he said:

> A week ago, Mr. Chairman,—

This is the hon. member for Winnipeg North again.

> —I expressed some dissatisfaction with the conducted tour since I wanted to see things that I did not see. I said in committee that I wanted to be foot loose and on my own.

Then he goes on and says that he was given an opportunity to see what he wished and he says:

> What we did was to take an indent at random and trace it all the way through till the stores asked for on the indent were issued out. I saw in detail what I had wanted to see previously, and from what I did see I am quite satisfied that the system down there is as good as human ingenuity can make it. Of course we have to take into consideration that weaknesses in the human factor will break down any system, but the various checks on individuals should be adequate to prevent any loss.

Then here is the final sentence, which I commend to hon. members of the house because it raises the perennial question of security which is always relative as between how much it costs and how much you can hope to save. There is no rule that is inflexible. At page 337 the hon. member for Winnipeg North says:

> To have complete security would make the cost so enormous that it would far exceed, I think, the losses that are sustained.

That is a comment by a member of one of the opposition groups with respect to a large operation, and I quote it for that reason—

Mr. Benidickson: Is that member not a professional accountant?

[Mr. Campney.]

Mr. Campney: I understand that he is a chartered accountant. I quote those remarks for this reason, namely that there is a tendency to make it appear that Petawawa practically represents the whole picture. One swallow does not make a spring and what happened at a little depot at Petawawa does not really indict the government if some thievery occurs at that place. As citizens of this country and as members of this house I think we should be realistic and practical. From the arguments we have heard yesterday and today it would appear that it is the feeling of the hon. members of the opposition that the Minister of National Defence, personally and physically, should stand guard over every railway siding, look after every stores depot and every airfield, and generally be in all places at all times and see what goes on everywhere.

Some hon. Members: Oh, oh.

Mr. Campney: But when we are spending almost $2 billion a year I think that is just another fantastic opposition idea, that he should be able to do that.

Mr. Ferguson: Nobody expects him to do that. They expect him to do his job and hire the proper people.

An hon. Member: Look who is talking.

Mr. Campney: I should now like to deal briefly with the recommendations of Mr. Currie.

Mr. Fraser: Before the minister leaves that—

Mr. Speaker: Order.

Some hon. Members: Order; sit down.

Mr. Speaker: Order. A question can only be asked with the permission of the minister. If the minister gives consent to the question being asked, it can be asked.

Mr. Drew: Give him a chance to ask it.

Mr. Speaker: Order. It is not for the Speaker to give the hon. member a chance to ask the question. It is for the member who has the floor to decide whether the question should be asked.

Mr. Campney: I notice that my time is almost exhausted and I still have two or three points that I should like to make. If I have any time left I shall be glad to answer the hon. member's question.

Mr. Speaker: Order. I should point out to the house that the minister's time is limited to forty minutes, unless he has the unanimous consent of the house to continue at the expiration of his forty minutes.

Mr. Pouliot: On a point of order, I submit that the minister who undertakes the defence of his department has unlimited time, according to the rules of the house.

Mr. Campney: The hon. member for Nanaimo (Mr. Pearkes) and the Leader of the Opposition (Mr. Drew) on December 15 and 16 respectively made some reference to the question of recommendations made during the conduct of the investigation by Mr. Currie, and I should like to deal briefly with those observations. At page 695 of *Hansard* the hon. member for Nanaimo said:

> You will notice that a flat denial was given by the Minister of National Defence that there had been any interim report; that he has had no further communication other than that brief conversation, which is reported, with Mr. Currie. One cannot help expressing amazement, when one reads the first page of the report which was tabled today. At the bottom of that page appears these words:
>
> "It should be noted that interim suggestions made by me during my investigation have been already seized on, and important reforms are already being carried out."

On the following day the Leader of the Opposition said, as reported at page 759 of *Hansard*:

> On the very first page I find these words addressed to the minister—

And then he quoted the same excerpt from the report and said:

> Mr. Speaker, is it possible for any hon. member of this house to be in any doubt that those suggestions were made to the Minister of National Defence? Is it possible for any hon. member of this house to doubt that in any event those suggestions were brought to the attention of the Minister of National Defence?

The answer to that briefly is that Mr. Currie was appointed by the Minister of National Defence to look into the situation that existed at Petawawa and to check on other army works service depots and to advise him, to help him in arriving at any necessary changes or steps to be taken that would improve the situation. Mr. Currie and his assistants, from the time he was appointed, not only worked in conjunction with the service people and the civilians at all these depots but also with the staff at headquarters. He had access to all the files; he had all the information it was possible to give him, and he had every bit of help he could get from the department, either in outlying posts or in Ottawa. From time to time—there is nothing mysterious about it—his men observed weaknesses in the accounting division of the department and in other divisions also and detailed steps that they thought should be taken to improve the situation. These steps were taken. These steps were taken not by the minister. They were administrative steps taken all along the line wherever it was found that something could be improved. They were taken up with the subordinate officials, if they could be done in that way, and with other officials up to the deputy minister if necessary; but no reports were made to the minister. These were detailed recommendations making for the effective operation of the department. And I think they were proper. I think it would be wrong not to have made use of those recommendations as quickly as possible. But the inference that starts with that and continues along as if Mr. Currie's report was prepared or altered or handled by the minister or the acting minister is not true directly or indirectly, formally or informally, and I want to make that very clear.

I would like to refer briefly to the recommendations. In the time remaining at my disposal I am not going to go into them in as much detail as I had intended.

Mr. Speaker: Order. The hon. member for Temiscouata did raise the question as to whether the minister has unlimited time. I do not think I should be called upon to decide that, as I understand the house has given him unanimous consent, in any event, to continue.

Some hon. Members: Yes.

Mr. Green: Go ahead.

Mr. Campney: I will not detain the house very much longer.

Mr. Drew: So that there may be no doubt, there is certainly consent to the minister who is speaking to proceed. But when the minister takes it upon himself to say that certain things are not true, in view of the fact that he was not even a minister of the crown at the time these events occurred, I trust that he will explain from whom he obtained the information on which he bases his present statement.

Some hon. Members: Hear, hear.

Mr. Campney: I shall be glad to do that. I obtained it by telephone from the Minister of National Defence (Mr. Claxton).

Mr. Diefenbaker: That is hearsay for you.

Mr. Chevrier: You tell that to the hon. member for Greenwood (Mr. Macdonnell).

Mr. Howe: You came all the way back just to say that.

Mr. Diefenbaker: That is the kind of denial we get here.

Mr. Speaker: Order.

Mr. Campney: The recommendations in the Currie report were 44 in number, and they were classified into five groups. I am not going to try to deal with them in detail,

because no doubt the select committee on defence expenditures will want to do that. There are five classes of recommendations: those dealing with organization and control; those dealing with personnel; those dealing with accounting; those dealing with stores; and those dealing with security.

Of the ten recommendations dealing with organization and control, eight have already been put into effect and are operative now. I am not going to take time to analyse all those recommendations, but I should say that some of them were put into effect before Mr. Currie made his report or started his work, owing to the investigations and the plan that had been evolved by the department in 1948 and 1949.

Of those dealing with personnel, six recommendations in all, five have already been considered or put into effect or are about to be. Of the recommendations dealing with accounting, three have been put into effect. There were eight altogether. Of those dealing with security there are eleven recommendations, of which two have been put into effect.

The question of security is the most difficult of all the problems, I think, that confront the department. That is true for a number of reasons. It has been suggested that we put a fence around Petawawa, which would be about 70 miles. I do not know how that would work out. We have had a lot of suggestions on how to effect security in these large areas. I think the hon. member for Winnipeg North (Mr. Stewart) touched the heart of the matter when he said that the question of security is always bound up with what it costs in relation to what you are likely to lose.

Those recommendations are all receiving study by the department; but they are not easy of solution.

Now, in concluding my remarks I should like to stress one point; that the basic problems of the army works services arose almost entirely from the stress produced by a cold war on a prosperous and expanding economy such as we have in Canada today. As a result we are in competition for technical personnel with people with whom, in some ways, it is difficult to compete.

I do not wish to maintain that our defence effort is perfect, but I do believe that it is an honest, serious and effective effort to meet the situation, and to provide as sound and effective a job as may be possible by the joint efforts of service personnel and civilians in the department. I should like to call the attention of the house to part of the statement made by the Prime Minister when he tabled the Currie report on Monday last and said, as reported at page 640 of *Hansard*:

> Though the report was concerned only with one relatively small branch of the Canadian army, the works services branch, and confirmed the investigation of the police that regrettable offences had occurred, it will be found that it contains some severe and sweeping statements which should not be taken out of their context because the report itself says, and I quote:
>
> "It does not fit the facts to indict or to smear the whole army works services personnel because of the sins of a handful of crooks."

And I commend this to hon. members in the house.

> I would hope, therefore, that in a matter of this kind no one would feel that any political advantage could be gained by taking broad, general statements out of their context in any way which might reflect in a wholesale manner on the great majority of loyal officers and men in the armed forces, and conscientious and hard-working civil servants in the Department of National Defence.

I am sorry, Mr. Speaker, but from my observations, it would appear that the opposition have decided not to act upon that plea.

Some hon. Members: Oh, oh.

Mr. Ferguson: This is going on in Camp Borden.

An hon. Member: A new leader.

Mr. Ferguson: Investigate Camp Borden.

Mr. Campney: That was a plea, Mr. Speaker, which I believe the Prime Minister made in the interests of the Canadian people and the defence effort of this country. I am beginning to wonder whether the members of the opposition are willing to sacrifice all those interests in the hope of acquiring some party advantage—

Some hon. Members: Oh, oh.

Mr. Drew: Rot.

An hon. Member: Pretty cheap.

Mr. Campney: —in respect of the defence effort which is now being made on behalf of the Canadian people. If they pursue the course they are following, they will create bitterness and friction between the services and the civil administration side of the Department of National Defence; and there has been lots of evidence of that intent in the house in the last two days.

Mr. Ferguson: Don't tell the public that.

Mr. Campney: The opposition will not succeed in that, but it is a dangerous thing to endeavour to do.

Mr. Drew: May I ask a question of the minister?

Mr. Campney: No, not until I have finished.

Mr. Drew: You are overtime now.

Some hon. Members: Oh, oh.

An hon. Member: You read for two hours.

Mr. Garson: You would make a good prime minister!

Mr. Speaker: If the minister does not wish to permit the question now, the Leader of the Opposition (Mr. Drew) could ask it at the close.

Mr. Drew: I simply ask the question—

Some hon. Members: Order.

Mr. Speaker: Do I understand that the minister gives consent to the asking of the question?

Mr. Campney: Yes.

Mr. Drew: In view of the fact that the minister was not a minister at the time, may I ask him if what he is now saying is also as the result of a telephone conversation with the Minister of National Defence?

Some hon. Members: Oh, oh.

Mr. Campney: That is the sort of question which the Leader of the Opposition sometimes—but not always—asks, and which I think requires no answer.

I would like to observe that the chief of the general staff and his service heads are doing a fine job. We have only to look at the results in Korea, in Europe and in Canada to realize that. We have an air force and a navy development, going on under service heads, that are outstanding, among all the nations in the whole NATO organization.

The civil side of the department is doing a very difficult job, and doing it well and effectively. Then, we have the defence research board which, in a quiet way, is doing a great deal of useful work. Success in our defence effort calls for the co-ordination of all these elements, service, civil, research and all the other elements which go to make up the Department of National Defence.

Mr. Ferguson: And the horses.

An hon. Member: Leave yourself out of it.

Mr. Campney: I submit, Mr. Speaker, that that combination is doing a good job. I do not think that the depredations of a few crooks at Petawawa, nor all the wild and irresponsible propaganda the opposition is seeking to base thereon, are going to shake the confidence of the people of this country in either the government of the country or the Department of National Defence.

I should like to say one other word—and I may say in passing that I thank the house for having given me more time—I would like to say one other word, and this is to a large extent personal; that I regret very deeply, as I am sure most hon. members of this house do, that in the course of the remarks made by certain members in the last few days they have seen fit to make violent and, I believe, unwarranted attacks on the Minister of National Defence (Mr. Claxton) in his absence from this house. I think this is greatly to be regretted, in that he is absent in Europe attending a meeting of the North Atlantic treaty council, as head of the Canadian delegation. That is a most important conference. It is a group with which we have allied ourselves and to which we are making a substantial contribution.

I do not say this because the minister needs any words of mine to defend him, because I can say without any hesitation at all that the Minister of National Defence by reason of his integrity, his industry, his proven ability and, above all, by reason of his great achievements in leading the Canadian defence effort to the heights it has attained in Korea, in Europe and in Canada, speaks much louder on his own behalf than anything I can say.

Mr. Drew: I simply draw attention to the fact—

Mr. Howe: You have spoken in this debate, friend.

Mr. Speaker: I presume the Leader of the Opposition is rising on a question of privilege.

Mr. Drew: I simply draw your attention, Mr. Speaker, to the fact that in his closing remarks the minister, who of course has no knowledge of the period that he was discussing, used the term "irresponsible" in regard to remarks that have been made during this debate.

An hon. Member: Very fitting.

Mr. Drew: I draw that to Your Honour's attention. In view of the very strict interpretation which you have placed on words during this debate I leave it with Your Honour to decide whether that is a proper expression in this debate.

Mr. Speaker: If the Leader of the Opposition takes exception to the word "irresponsible" probably the minister will not insist that it stand in *Hansard*. It is not a very severe term.

An hon. Member: Very accurate.

Mr. Speaker: Probably under the circumstances the minister would withdraw the term.

Mr. Campney: If Your Honour asks me to and rules it is unparliamentary, and asks me to withdraw I certainly will. It did not occur to me that it was an unparliamentary word, but I shall defer to your ruling.

An hon. Member: It was very true.

Mr. Drew: In view of the strict interpretations, and may I say new interpretations, which you have been making of certain rules—

Some hon. Members: Order.

Mr. Drew: I place before you the word "irresponsible" and ask you to make a ruling whether that is or is not parliamentary as applied directly to statements of speakers from the other side.

An hon. Member: The chickens come home to roost.

An hon. Member: What would Charlotte say?

Mr. Speaker: The Leader of the Opposition has the right to say that I have made new rulings or rulings which have not been observed previously. If I have done so, the Speaker has the right to do so and the house usually accepts them. I would not normally have stopped the use of the word "irresponsible" when used especially in the heat of debate and I would hesitate to say that that term is unparliamentary when referring to a statement made by a member of the house. If the Leader of the Opposition has any precedent he can quote to that effect, I shall be glad to enforce it.

Mr. Drew: Mr. Speaker, since you have asked me to make my comments on it I would point out that this word was not used in the heat of debate. The word was read from a written context.

An hon. Member: No, not like yours.

Mr. Drew: I would therefore ask you to decide as you have decided before, without any question, and make a ruling as to whether that word is parliamentary.

Mr. Pouliot: I rise to a point of order.

Mr. Speaker: Order. If I make a ruling that it is unparliamentary of course I could not allow it to be used on any future occasion.

Mr. Knowles: Then don't do it.

Mr. Speaker: I do not think the house would want me to be quite as severe as that.

Some hon. Members: Hear, hear.

Mr. Speaker: If I allow the word to stand now any hon. member can use it in the future. I remind hon. members of that.

An hon. Member: We are not afraid.

Mr. Pouliot: Before you give your ruling—

Mr. Drew: Mr. Speaker, I am speaking from my seat. I would point out that the effect of what you have just decided should be recognized by the house. Therefore I say that everything the minister said in his closing remarks was utterly irresponsible.

Some hon. Members: Order.

Mr. Speaker: I had not made a ruling, but possibly in view of the statement by the Leader of the Opposition I should allow the word to stand.

(Translation):

Mr. Marcel Boivin (Shefford): Mr. Speaker, I did not speak during the debate on the address in reply at the beginning of the sixth session of the 21st parliament. I preferred to comment on some of the bills brought before the house during the session. For this reason without further delay I would like today to congratulate the government for having complied with the legitimate wishes of all our compatriots by appointing a Canadian to the highest and most representative position in the country. Inasmuch as I am permitted to do so by the rules of the house, in the name of the electors I represent and in my own name, I respectfully congratulate the Right Hon. Vincent Massey upon his appointment as the first of a long line of Canadian-born viceroys.

The matter is not a new one. It had been discussed for a long time and this wonderful appointment was made in due course. All those whose love goes first to Canada who want to be Canadians above all were pleased with it. I said a moment ago that the matter was not a new one. Indeed, several years ago, in 1935, Mr. Maurice Ollivier, law clerk of the House of Commons, in his prophetical book, "Le Canada, pays souverain", wrote:

> The letters patent appointing a governor should be replaced by revised letters patent appointing a viceroy who should be Canadian.
>
> Why not avail ourselves of our status of full equality and fulfil the legitimate aspirations arising from our emancipation.
>
> The appointment of a Canadian would symbolize the growth, the increasing independence of Canada.
>
> Moreover, the appointment of a Canadian would be an excellent thing for Great Britain who would cease to be blamed unfairly for the mistakes of the representative of the sovereign.
>
> The British empire of yesterday is now a commonwealth of nations bound by common economic interests.

It is with extreme pleasure that I congratulate the mover of the address in reply, my very good friend the member for Brome-Missisquoi (Mr. Deslieres), whose constituency is next to mine, and a very beautiful constituency at that. I know this from experience since I spent with the new member the trying days of his electoral campaign. You can

see now that he carried this campaign to a victorious conclusion. I must add to these congratulations a tribute to the hon. member for Waterloo North (Mr. Schneider) who discharged, as expected, in a wonderful manner the task with which he had been entrusted.

Mr. Speaker, we are now at the stage where the last vestiges of colonialism are going by the board. For several years now we have enjoyed the right to govern ourselves, that is to adopt the legislation which suits us best without taking into account the legislation of any other country. We have indeed obtained the right to negotiate alone our own treaties. We have obtained the right to a distinctive diplomatic representation abroad. We have abolished the right of appeal to the privy council, not only in criminal cases but in every other case as well. Our sovereignty is now complete. There remains, it is true, the right to amend the constitution, and on that point I should like to congratulate the Right Hon. Prime Minister (Mr. St. Laurent), as well as the government, for having obtained in 1949, on behalf of the federal parliament the right to amend our constitution in federal matters, a right that the provinces themselves have enjoyed since 1867 in provincial matters.

There remains only to obtain the right for Canada and its provinces to amend the constitution in those matters that relate both to federal and provincial rights. This, however, would not affect our autonomy, our sovereignty, for the simple reason that Britain would be only too glad to have the Canadian constitution, that is the B.N.A. Act of 1867, put completely into our hands.

It remains only for us to come to an agreement with the provinces on a method of amendment which would satisfy everyone, and which would protect at the same time federal and provincial rights, as well as minority rights which are exceedingly important to us. As a matter of fact, one should not forget that the federal members from the province of Quebec in Ottawa represent their province here as well as the provincial members, and that, like them, they are devoted to the tongue, traditions and customs of their ancestors.

However they do not forget that they have a sacred duty: not only must they be nationalists or provincialists but, above all, they must be Canadians. Quebec is our native land, but the whole of Canada belongs to us, it is our larger mother country; why should we, therefore, erect a wall around the province of Quebec, in order to isolate it from the rest of the world and, more particularly, from the rest of Canada?

Canada is a great country, a truly beautiful country; it is a land abounding in all riches and all beauties, from the St. Lawrence river to the Rocky mountains, and across the golden western plains. The whole country is our inheritance and what a shame it would be if we ever had the idea of transforming it into a sort of Balkan area, when ten distinct provinces would each be led by some petty dictator, who would deem himself free to manage everything to his own liking and solely to his own advantage.

I am bound to say that my patriotism oversteps somewhat the boundaries of my province, though I retain strong ties with the land where I was born, with that province whose faith, language and traditions I shall always uphold whatever the circumstances. I am still happy to be a citizen of a great and beautiful country and to assert that I am a Canadian.

I take this opportunity to congratulate the hon. member for Montmagny-L'Islet (Mr. Lesage) on the masterful speech he made on this matter, on December 2 last.

Mr. Speaker, there is another subject about which I should like to say a few words, as it is linked with the first: namely communism. In principle, we all agree that communism is our greatest, our most dangerous and most insidious enemy, an enemy that threatens and seeks to destroy us. There are many ways of fighting it. The first and easiest way is to denounce it, but unfortunately that is not sufficient and we must take other means, that is prepare ourselves to fight that enemy.

Russia has been arming and mobilizing her military forces for a long time now. What will be the use of our oratory if we are not ready to clash on the day of decision, with the communists, with equal forces or preferably with superior forces.

What will be the use of all our prosperity, of our wealth, of all the institutions we will have set up, of all the houses we will have built, of all the automobiles we will have manufactured and of all the tractors or other agricultural implements we will have placed at the disposal of our agricultural people, if we are to be invaded one day, Mr. Speaker, by these barbarians who are watching us on the

other side of the Arctic. All these achievements, all that wealth would be taken away from us and we would be reduced to slavery by an hostile power.

It is true that taxes are high, but it is a small price to pay for liberty. Our freedom is more precious than all our wealth; these millions that we are spending on national defence are very little after all, although they may sometimes weigh heavily on our shoulders, compared with the safety they afford and guarantee. In other words, taxes are an evil, but a necessary evil, and are to be preferred to the evils that would befall us if, due to a lack of preparedness, we were to be shorn like sheep in the slaughterhouse.

All these taxes for national defence, all this revenue is provided by direct taxation, that is by personal and corporation income tax. Should we leave this field to the provinces and open our country to invasion?

If I may say so, Mr. Speaker—and I believe you will agree with me—should our country be invaded and conquered by the barbarians who live under communist rule, there would hardly be any more discussion of federal or provincial or minority rights. There would be little talk of the Christian religion, of our language and of our traditions.

That is what must be understood whenever there is any discussion over the apportionment of fields of taxation between the federal government and the provinces. I sincerely believe that the defence of this country and the survival of our nation are more important even than highway construction, important though that may be.

While we are on this subject, I must add that we should come to the assistance of those who need our help, who are hungry. I am referring to those countries which live in the shadow of communism.

One must admit that we have now in our warehouses a surplus of meat and that we have to pay for such storage in order not to lose this meat. So why not distribute this meat to those who are on the verge of rebellion or of falling prey to these barbarians? We would thus give them a foretaste of the real sense of democracy.

Mr. Speaker, having referred to income tax, I should like to repeat the request I made in this house on May 27 last, in connection with the worker's income tax. I believe very sincerely that the father of a family as well as the individual, with the present cost of living, is not sufficiently compensated by way of basic exemptions. In this connection, I should like to draw the attention of the Minister of National Revenue (Mr. McCann) to the manner in which income tax collectors and their staffs go about collecting amounts which are in arrears of one, two or even three years. A letter is sent advising them that if the amount is not paid within fifteen days, a garnishee order will be issued and sent to the employer.

With the present cost of living, the ordinary worker finds it very difficult to meet his obligations and that is why in many instances, if the Minister of National Revenue institutes proceedings against them, that represents for these people a real catastrophe. I hope that my brief remarks on that subject will urge the Minister of National Revenue to convene his collectors in order to ask them, or at least recommend to them, to be a little more lenient, as well as remind them that they are our servants.

I am convinced that the Minister of Finance (Mr. Abbott), together with his advisers, can and must find other means of levying revenues for his needs, if such is the case, without inflicting so much harm on those I have mentioned.

Mr. Speaker, I now come to a subject to which I have already referred in the past. On March 19 last, I wrote a long letter to the Minister of Finance concerning taxes on cigarettes. I should like to discuss this matter during the few minutes I still have at my disposal. It is true that the last budget brought a reduction of three cents on a package of cigarettes, or of $1.50 a thousand. I remember that the minister had informed us that he had received a lot of free advice concerning this tax. I should like to tell you right now that I never gave any advice. I must admit though that had I been one of his financial advisers I would have liked to give him a bit of advice. Possibly the tax on cigarettes would not be what it is today. I have already asked him in the past to cut 11 cents off the tax—that was before the last reduction—not including of course Mr. Duplessis' additional 4 cents. This would have brought the price of our domestic cigarettes down to 35 cents.

Mr. Speaker, it must be admitted that approximately 50 per cent of our people smoke smuggled American cigarettes which they buy for 30 cents a pack, in order to save

money. A pack of Canadian cigarettes would cost 43 cents—that is with Mr. Duplessis' 4 cent tax—and you cannot blame them too much, in view of the present high cost of living.

With your permission I would like to make a survey going back to 1932 when cigarettes sold for 20 cents a pack. At that time, as will be remembered, there was an excise tax of $4 per thousand and a sales tax of 4 per cent. With these figures for 1932 in our minds, let us come now, if you wish, to the figures for 1952. Cigarettes are now sold here at 39 cents a pack, not including the Quebec tax. We must not overlook the fact that the excise tax has jumped to $10 per thousand and that the sales tax has been increased to 10 per cent. Let us say that the increase in taxation is the basic factor in the price increase of our Canadian cigarettes.

Considering that the per capita consumption of cigarettes in 1941 was 746 cigarettes in Canada and comparing it with the American per capita consumption during the same year, we find that the latter was 1,575 cigarettes. In 1942, the Canadian excise tax was increased by $2 per 1,000 and, during the same year, in the United States, consumption increased by 200 to reach the figure of 1,775 cigarettes per person. In 1943, the $2 increase in the Canadian excise tax had the effect of increasing the per capita consumption in the United States to 1,925.

So, Mr. Speaker, realizing gradually that the price of our cigarettes was much too high, our people have been buying more and more American cigarettes. This is the cause of the gradual increase in the per capita consumption of American cigarettes in the United States, which reached 2,400 cigarettes in 1950.

I have no figures for 1951, but I am sure they are still higher, because we see more and more smuggled cigarettes in Canada. The figures I have quoted are based on American production and they prove once again that per capita consumption in the United States is much higher than it should actually be, because of Canadian purchases of smuggled cigarettes.

The Minister of Finance stated during the last session that the volume of cigarette smuggling had been exaggerated. I am wondering whether he was not alluding to the statements I had made in the house when I said that four out of every five people were smoking American cigarettes. I am not the only one who thinks so. To corroborate my statements, I would like to quote an article from the *Revue de Granby* entitled "Between the lines" and dated April 5, 1952. I quote:

> The budget brought down by the Hon. Mr. Abbott, who is hoping for a $9 million surplus in 1952-1953, will certainly not help police officers in their fight against the smuggling of American cigarettes. Citizens of the eastern townships will surely stop smoking Canadian cigarettes which cost 13 cents more per pack of 20 and continue to buy their smokes on the black market. Local club and hotel waiters tell us that 8 or 9 empty packages of cigarettes out of 10 left on tables by their customers are of American brands.

After reading that article we must come to the conclusion that some of our people think nothing of smuggling, as may be seen any day. On March 15, the Montreal *Star* published an item entitled "A judge tolerates smuggling". I quote:

> Mr. Justice R. Herbert Barton stated yesterday that smuggling of American cigarettes into Canada was not too serious a matter. During the hearing in Toronto police court of a case involving a taxi driver whose car had been seized because he had smuggled American cigarettes, the judge said: That is only smuggling and everybody is doing it.

When a judge makes statements of that nature, I believe it is high time for the Minister of Finance to take action and reduce the tax.

I am convinced that the reduction of $1.50 per thousand, or 3 cents per package, has not brought about the increase in sales of Canadian cigarettes anticipated by the minister. Unfortunately, smuggling continues to the prejudice of Canadian manufacturers and of our national revenue.

I would like to quote here from an editorial which I found in *La Voix de l'Est* of Granby, dated April 10, 1952, which bears out my contention:

> As for cigarettes, we believe that a three cent reduction is ridiculous and that Mr. Abbott should have reduced the price to 35 cents per pack of twenty cigarettes with a view to increasing the consumption in Canada. It is evident that, as a result of the budget speech, the smuggling of cigarettes will soar again, because a great many Canadians will refuse to pay 43 cents for a pack of cigarettes they are able to purchase for 27 or 30 cents.

In the face of all this evidence, one has to admit that the excise tax reduction which I suggested would have reduced both smuggling and per capita consumption of cigarettes in the United States and lead to an increase in Canadian consumption. We like to smoke cigarettes as much as the Americans do; we smoke as many as they do. How can you explain that consumption in the United States is twice as high as in Canada? The explanation is simple. It lies in the difference between the excise tax in the two countries. In the United States the excise tax, for 1952, was $4 per thousand whereas in Canada, even

after the $1.50 reduction, it remains at $10 plus a sales tax of 10 per cent.

I do hope that we may cut down this far-famed excise tax when the time comes to bring down the budget. If we reduce this tax we will allow for the sale of cigarettes at a reasonable price. Moreover we will reduce smuggling and, by the same token, increase our own production and consumption.

Mr. Speaker, it is true that our manufacturers are subject to an abnormally high tax considering the price of their product, but I really believe it would be wrong to think that they would take advantage of a reduction in the excise tax to increase their profit. I really believe that the people of this country should not be left under a false impression, after the words spoken in this house by the hon. member from Bow River (Mr. Johnston) at the last session. That is why I would like to call your attention once more to the figures I mentioned a few minutes ago, while adding others in order to support my contention. 1932: retail price, 20 cents, excise tax, $4 a thousand, sales tax 4 per cent; 1952: retail price, 39 cents, excise tax, $10 a thousand, sales tax 10 per cent.

Since companies have, as you know, cartons of various sizes for sale to wholesalers, I shall take for comparison purposes the sale price of 100 cigarettes. In 1932, 100 cigarettes in 20-cigarette packs represented five packs at 20 cents, that is $1, excise tax of $4 a thousand, that is 40 cents, sales tax of 4 per cent or 1·3 cents, commission to jobbers, 10·5 cents, commission on retail sales, 17 cents.

The 100 cigarettes which sold for $1 in 1932, cost in taxes and commissions 68·8 cents; the manufacturer's selling price was therefore 31·2 cents or $1.12 for a carton of 18 packs of 20 cigarettes. For the purpose of my comparison, I shall now take the retail price of 1952 which is 39 cents. Five packs at 39 cents, retail price, represent the sum of $1.95, the excise tax at $10 a thousand, $1.00, the sales tax at 10 per cent, 6 cents, the jobber's commission, 12·2 cents, the commission on retail sales, 22 cents, or a total of $1.40½.

Cigarettes which sold at $1.95 a hundred in 1952 are costing, in taxes and commissions, $1.40½, the manufacturer's sale price therefore being 54·8 cents or $1.97 a carton.

It seems to me odd indeed to hear people criticize the manufacturers' profits, without knowing the facts. The cigarette manufacturers have, within the last 20 years, raised their price by 23·6 cents for one hundred cigarettes and by 85 cents for a carton.

[Mr. Boivin.]

Let us keep in mind that raw leaf tobacco for cigarettes sold for 20·5 cents a pound in 1932, whereas, in 1951, it had more than doubled and cost 44·5 cents a pound. The raw products of the cigarette industry number a thousand and more and they have also followed the mounting trend of raw leaf tobacco prices. Further, we must allow for the fact that the cost of living has also increased for the cigarette manufacturers from 1932 to 1952. Within the last 20 years, they have raised the wholesale price, and not their profits by 85 cents a carton, and yet the manufacturers are being accused of increasing their profits, when the government has, by means of taxation, raised the price of these products by $1.97 a carton. The cost of living index had reached 190·4 per cent in October 1951, at the time when the raise of two cents mentioned took place. The cost of living had also gone up for the employees, who had obtained repeated salary increases. One of these sister industries is established in our district; I am in a position to state that its employees are well treated, both from the standpoint of salary and of security for themselves and their families. That is why I deemed it necessary to reply in the house to certain accusations made here by another hon. member, who made them with no ill intent, I trust.

I can only express once again the hope that the excise tax will be lowered so that Canadian cigarettes may sell for 35 cents retail. Then, for the small difference, our people will certainly smoke Canadian cigarettes. The increase in production will make up for the difference in national revenue so that it would be approximately the same as today.

Mr. Speaker, I wish to congratulate my colleague, the hon. member for Quebec South (Mr. Power) who more than 25 years ago sat with my late father in parliament.

I wish also to congratulate very sincerely the Minister of Trade and Commerce (Mr. Howe) for the appointment of a citizen of Granby to the commission due to sail for South America on January 5.

Indeed, the city of Granby last week held a banquet to honour the general manager of the Granby co-operative who will be leaving shortly. I believe that the Minister of Trade and Commerce has found the most competent man in the province of Quebec in the person of the manager of the Granby Agricultural Co-operative. This is, to be sure, not only a tribute to the city of Granby, but to all the farmers of Quebec.

Before resuming my seat, Mr. Speaker, I would also like to offer my most sincere congratulations to the Minister of Public Works (Mr. Fournier) who has finally given the city of Granby a long awaited post office building.

Mr. Speaker, I thank you very much for your indulgence.

(Text):

Mr. Angus MacInnis (Vancouver East): Mr. Speaker, before this debate concludes I want to say a few words with regard to the subject matter that was discussed for the greater part of today and yesterday. I want to refer, in a general way perhaps, to some of the remarks made by the Acting Minister of National Defence (Mr. Campney). Before I do so, however, I wish to congratulate the hon. member for Vancouver Centre (Mr. Campney) on being taken into the cabinet. However, I wish that the subject of his first speech had been more inspiring than the one with which he had to deal this evening.

Perhaps I had better begin with what the Acting Minister of National Defence said at the end of his speech, or close to it. He referred to the statement made in this house by the Prime Minister (Mr. St. Laurent) on Monday last when he tabled this report. He read from page 640 of *Hansard* and I will quote again the words which he quoted from the Prime Minister's statement. They are as follows:

> I would hope, therefore, that in a matter of this kind no one would feel that any political advantage could be gained by taking broad, general statements out of their context in any way which might reflect in a wholesale manner on the great majority of loyal officers and men in the armed forces, and conscientious and hard-working civil servants in the Department of National Defence.

The Acting Minister of National Defence quoted that statement, as well he might, with approval; but I suggest to you, sir, that many of his own statements from the report were taken out of their context. I imagine it would be unparliamentary for me to say that was done for political purposes.

Mr. Studer: What did your member get it for?

Mr. MacInnis: That does not excuse the Acting Minister of National Defence. He is an individual acting on his own, and quoting with approval the remarks of his leader in this house.

Mr. Studer: Your member was acting on his leader's orders also.

Mr. MacInnis: No, he was not; and there was nothing quoted for political purposes.

The first thing I would say in regard to the very fine statement made by the Prime Minister is that he must be naive—and I think he is not—if he believes that an opportunity of this kind could be let pass without political use being made of it by the opposition. That is the nature of our political institution. As a matter of fact there is nothing the government could do here that could please the opposition except the mistakes it might make, and the same would be true if those who are on the government side of the house were on this side and those who are on this side were on the other side of the house.

Mr. Lesage: They do not need to, because the opposition is making mistakes all the time.

Mr. MacInnis: That is to your advantage, if they are, and you should not regret it; but you had better be concerned about your own mistakes.

Mr. Knowles: Which are legion.

Mr. MacInnis: I mention that, sir, because it has been suggested that a committee on defence expenditures is being set up; that if there is any further information required in regard to this matter it could be referred to that committee. After listening to the remarks, and watching the exhibition that went on in this house tonight, can anyone believe that there would be any chance in the world, a chance in one thousand, that any information would be brought to light that would in any way reflect upon the present government?

Mr. Browne (St. John's West): What about the report?

Mr. MacInnis: Therefore if any further information is required, and I believe there is, the only way to get that information—and that is the way this information was obtained—is by appointing a commissioner who is free from the political associations that are inevitably connected with anything of this kind that is done here.

May I say in regard to the Prime Minister (Mr. St. Laurent) that he has taken, and very properly, a serious view of this report. In every word and in his attitude one could see that he is concerned; but the Acting Minister of National Defence made light of the whole thing tonight. He said nothing really of importance had happened; that nearly all of the recommendations, or in any case a great many of them, that were made in the report had already been put into effect. There is one answer to that, sir, and it is this. If the commissioner—and I hope I am using the proper term in regard to Mr. Currie—was not able to find in the department the result of those recommendations that the acting minister said had already been put into effect, of what advantage was it to put them into effect? Surely, just for the sake of making them he would not have made recommendations in regard to a condition which he had

found had already been remedied by the administration. That makes nonsense of the whole report; and the report is not nonsense.

The Acting Minister of National Defence read this statement—and I assure him that this was taken out of its context:

> No reliable estimate of the total loss can be prepared. It does, however, appear probable that the total loss resulting from misappropriations and irregularities by military personnel at Petawawa was not large.

Then the paragraph goes on:

> My view would be, however, that the generally lax administrative situation would give rise to waste and inefficiency far more costly in loss than that covered by actual dishonesty. The evidence examined does not disclose irregularities involving relatively large sums of money, but, rather, an impressive array of petty irregularities on an extensive scale.

Here the Acting Minister of National Defence quoted five lines taken out of their context, while the rest of the paragraph was as damaging to the administration as anything could be. May I ask whether that was done for political purposes or not?

Then we go further back; I cannot give the pages as they are in the report itself and I am reading from the text in *Hansard*. The Acting Minister of National Defence said: If a bank is robbed, surely one would not blame the president for the loss of the money, or words to that effect. But if the president or the manager left the door of the bank open, surely he would be subject to criticism for doing so, and that is exactly what was done by the Department of National Defence.

The acting minister went on to say that though there were camps at Toronto, London, Borden, Barriefield, Vancouver, Regina, Quebec and Halifax, no maladministration was found in those places, or no petty thieving of the kind that was found at Petawawa. But Mr. Currie said far more than that. He said:

> The conclusion I have come to is that, while there has been a general breakdown in the system of administration, supervision and accounting, it was only at Petawawa that extensive irregularities over a prolonged period of time took place. The contents of this chapter are chiefly based upon my studies there, because of the existence there of a combination of factors: lax control, poor discipline and the presence of dishonest personnel. The combination proved disastrous.

The Acting Minister of National Defence glossed it all over as though it were of no particular importance whatsoever. Then he went on to take another few lines out of their context. He read this:

> It does not fit the facts to indict or to smear the whole army works services personnel because of the sins of a handful of crooks.

But he did not go on to read:

> At Petawawa, however, the crooks were present and took advantage of the situation, and it is an unhappy circumstance that the beginning of this investigation lies not inside the Department of National Defence and its full complement of regulations and supervising personnel, but with the receipt of an anonymous letter couched in the following terms:

Had it not been for the fact that someone took the trouble to write to the commissioner of the Royal Canadian Mounted Police, so far as the Department of National Defence is concerned these things would be going on yet. Surely, Mr. Speaker, under conditions of that kind the Minister of National Defence (Mr. Claxton) is open to criticism. And it is sheer impudence for anyone to come here and talk on his behalf and say that he is not. Either he is responsible for what has happened or no one has responsibility at all in matters of this kind.

So I would suggest to hon. members on both sides of the house that, while we cannot altogether get away from political associations in parliamentary procedures, for the good of Canada and for the morale and good of the men who are now serving in the forces and who are carrying out their duties under most difficult circumstances, we should not allow such things as happened at Petawawa to go by without placing the blame where it should be placed, showing the people of Canada and the men in our armed services that we think more of the sacrifices they are making than to allow any laxity in administration, and through not paying attention to even small things. We should not allow, as it says here, a handful of crooks to do what has been done.

Let me repeat what I said in the beginning, that if there is any further information required in connection with this matter, it should not be referred to the committee to be set up on defence expenditures, because that is just the way not to find out what is going on. I have been here long enough and I have been on enough committees to know that the government majority on a committee, if they can prevent it—and there are fairly astute people on committees, including lawyers and others who are adept at covering up—will not let these things come to light. Things should come to light, if they are there.

I would suggest that if this matter does go to the committee on defence expenditures that is to be set up, the chairman of that committee, whoever he may be, should say, "Gentlemen, the lid is off. If there is anything here that should be exposed, then we are going to expose it, regardless of who is going to get hurt in the process". That is the only way in which honest, efficient and democratic government can be carried on.

Mr. J. L. Gibson (Comox-Alberni): Mr. Speaker, I should like to join other hon.

members in extending my best wishes to Hon. Robert Mayhew, former minister of fisheries, who comes from British Columbia and who has now taken on a new task as the representative of Canada in Japan. He goes to this task after a long and distinguished career, and I am sure he will acquit himself with distinction in this new field.

I am particularly pleased that, finally, the government has recognized the stature of British Columbia by having seen fit to appoint two cabinet ministers from that province. I am pleased to note that the Prime Minister has chosen two men of proven ability to fill these two important posts. I would say to him and to his colleagues in the cabinet that they would do well if, very often, they were to listen to the sage advice of these two ministers. I might say, too, that British Columbia may now expect the completion of many of the things that have long been deferred. Perhaps with the persuasive eloquence of these two hon. gentlemen something will come to pass.

In passing I should like to make only one or two comments about private television. It seems to me that the government's policy in television is somewhat akin to its policy in respect of Trans-Canada Air Lines. I would like to be able to say that I thought the Canadian Broadcasting Corporation has been operated as well as Trans-Canada Air Lines; but I can say that there is a parallel in these two organizations in the fact that both retain for themselves any plums to be found in the business life of Canada, and they allow private aeroplanes or, as in this instance, private television to take the scraps that are left. Sometimes these scraps are in very doubtful spheres, so far as economics are concerned.

I would sincerely like to see the government give one private station out in Vancouver an opportunity to come in and begin to operate now. I have had the assurance from a man interested in putting his money into this field of enterprise that he could have television for Vancouver within six months. If that is so I would like to see the minister give that gentleman the opportunity to do so.

I would say also to the British Columbia cabinet ministers that I would like to have them prevail upon their colleagues to see to it that the committee on veterans affairs is set up again when we return after the Christmas recess, so that we may give careful consideration to the representations made in the brief submitted to us by the Canadian Legion.

Then I should like to speak for a moment or two regarding our highway on Vancouver island. I hate being parochial at a time like this, when there are so many grave problems before the House of Commons, but I think in this instance Vancouver island has been badly neglected. By some curious circumstance the trans-Canada highway goes to Vancouver, then jumps to Nanaimo, and then proceeds east to Victoria. Just how they arrived at the conclusion that Victoria should be the terminus of the trans-Canada highway, I cannot say. But I would ask the Minister of Resources and Development (Mr. Winters) to consult with the Minister of Public Works (Mr. Fournier) and the new members of the government from British Columbia, to see if we cannot have the trans-Canada highway go from Vancouver to Victoria, and thence due west to the head of Vancouver island.

Sometimes I hear my friends from Prince Edward Island being very sensitive about things that happen there. But if any of them ever wandered so far from home as to see the tremendous island we have out on the western coast, I am sure they would be impressed. I would recall what was said by Kipling many years ago, when he described our island as the fairest gem in the British crown. It is a reflection on Canada and on the trans-Canada highway policy when one cannot travel from one end of Vancouver island to the other. I would ask the responsible minister to consult with the government of British Columbia with a view to rectifying this very serious situation.

There is another highway on Vancouver island about which I have spoken before. I am happy that one of the ministers from British Columbia is to be the associate minister of national defence (Mr. Campney). I am referring now, of course, to the proposed highway from Port Alberni to Tofino airport. It is not generally known that far out on the west coast of Vancouver island we have one of the finest airports in Canada. This was one of the first airports opened during the war for the defence of the west coast. I pointed out last year when I dealt with this matter that there is no access by road to this point. The federal government have always contended that they are not interested in roads and should not participate in the building of roads, but this is the most westerly outpost of our air defences in Canada, and it is not connected by highway. As a matter of fact I can tell the Minister of National Defence (Mr. Claxton) that this proved of great disadvantage during the last war. I am quite sure the fact that there was not a road in there cost us far more than it would have cost to construct a road.

There are business opportunities there. I think the minister could well go to the government of British Columbia and say, "We recognize that this is primarily your responsibility, but here is a quarter of a million dollars we will give you as our contribution if you will put a road in there." I think a road could be built for a million or a million and a half dollars. I submit that this government ought to make a gesture of that kind to the government of British Columbia and say, "We will make a contribution toward the road."

I am sorry the Minister of Transport (Mr. Chevrier) is not with us at the moment, as there is something I should like to bring to his attention. I have brought this to his attention several times before. We now have no passenger service on the west coast of Vancouver island, due to the fact that the Canadian Pacific steamer which had served the area for almost 70 years finally, like the one-horse shay, fell apart. The people in this area feel that the Canadian Pacific have had a monopoly there for about 70 years. I ask the minister and the maritime commission to make representations to the Canadian Pacific to renew this service. It is most essential to the life and development of that coast, and it should be renewed.

I come now to the subject that was covered very ably last night by the Acting Minister of Finance (Mr. Garson). I should like to make some comments with regard to government policy in connection with budget surpluses. The other day the hon. member for Moose Jaw (Mr. Thatcher) pointed this up very dramatically when he said that since 1945 the government has had an average surplus of $1 million per day. That figure is startling.

At the outset of my comments in this regard I should like to pay a sincere personal tribute to our very efficient Minister of Finance (Mr. Abbott). I must say that I have always admired his courage in imposing these high taxes. I agree with him that they have been a deterring factor in controlling inflation. I think in that aspect he did a good job. I was glad to see him resist over the years the pressure that came from various parts of this house to impose controls on both prices and wages. If we are fair about it I think we would all say that in the long run he has proved to be right, because actually the cost of living is coming down and I think the inflationary trend is lessening.

But I think now with seven years of surpluses we have had about enough. There is no particular virtue in having a surplus all the time, despite the idea of some people that a surplus is always necessary. I think this is the time for a really healthy deficit. If I were the leader of a large group, instead of being an independent as I am, I think I would suggest that this would be a sound time to use up some of this surplus.

I often wonder whether we Canadians are not becoming a little soft. I know there is a saying that a rich man cannot get into heaven any easier than he can pass through the eye of a needle. I sometimes feel that with all the approbation we have been receiving in the United States press and the press of other countries we have gone perhaps a little too far with the surpluses we are having. Our premium dollar and other things of that kind seem to have gone to our heads. I think we would make better friends for ourselves throughout the world if we played a role that was a little bit poorer, and did not appear to ostentatiously have too much money.

The Prime Minister (Mr. St. Laurent) made a statement the other day that rather intrigued me. He said that after all these surpluses are great stuff; and incidentally, I very seldom disagree with him. He told us that these surpluses are good things and that our grandchildren will rise up and call us blessed for not leaving them too much money to pay back. That may be true, but I think as we look back to our youth we must admit that things today are infinitely better than they were when we were young. If the trend continues, then we can expect that things will get progressively better. I contend that our grandchildren will not have too heavy a load to carry even though we do not struggle to pay off all our debt at the present time. I notice that the carpenters of British Columbia are thinking of a 30-hour week, which would seem to indicate that no one is going to have too heavy a burden to carry.

I think Mr. Ilsley did a very good job during the war when he paid half the cost of it from taxation as we went along. We must all agree that he pursued a wise course in that regard. Then as far as the balance is concerned, I think we have made a good job of paying off half of that because of the effects of inflation and the fact that today our dollar is worth only fifty cents compared to what it used to be worth. The present per capita debt is nothing to become alarmed about. In fact I think it could be increased some. Every time the Minister of Citizenship and Immigration (Mr. Harris) brings in 12,000 or 15,000 people in a month we reduce that per capita debt quite substantially. Then when we consider the desirable birth rate we have in this country we must realize that that also is playing a part in reducing the per capita debt.

Canada has so many frontiers to be developed, and when we have surpluses of this kind I think we should look around to see where it can be invested so that the frontiers can be pushed back. After all, money at 3 per cent is pretty cheap money. It is the cheapest money anybody can get. I do not think we ought to strain ourselves at the present time after having reduced our national debt every year for seven years. We do not need to concentrate on reducing it any more at the present time.

Sometimes it is nice to be able to agree with a C.C.F. member like my good friend the hon. member for Moose Jaw. He says taxes are too high. If I remember correctly, he did not say all taxes are too high. He did not say anything about personal income tax, but he did say that the corporation income taxes are too high. I gather that he has some knowledge on that subject. It does not seem right to me that our government should own 52 per cent of every successful incorporated business in Canada; and I do not think they should overtax corporations and individuals to the extent of $1 million a day in order to pay off a debt on which we have to pay only 3 per cent. I think if the average businessman could get all the money he wanted at 3 per cent, he could pay that rate of interest and use the money for expansion of his business and probably make 10 per cent on it.

Once you give money to a government it just goes down the sink, and I would say that of any government. The moment we are able to show up here with a surplus my good friends away down to the left dredge up some brand new idea to get rid of it. And are they efficient at that type of thing!

I have a few suggestions to make, though I hate to make them in an election year. Perhaps I should save them for another year. I will say that I am not speaking with any correct knowledge of that event, so the opposition need not take what I say as an announcement of when the election will be. It seems to me that we have accumulated quite a lot of money, and we should look around to see how we can invest it wisely.

I have dealt with some of the things, and other speakers from British Columbia have mentioned how money might well be spent in the greater Vancouver area. I have mentioned some things that might be done on Vancouver island. However, I must commend the government—and I suppose it is as a result of the surpluses they have had—in that they now find they are able to say that Canada will go ahead on its own and build the St. Lawrence seaway. Coming from the west I know that in a parochial sense it probably will not do my riding any particular good, but I have always thought anything that is in the interests of Canada, such as the St. Lawrence seaway, is actually of benefit to us all.

The other day the hon. member for Cariboo (Mr. Murray) mentioned that it might be a good thing to put some hard surfacing on the Alaska highway. I would commend that to the government as a good place to spend some money. I think a railroad is needed into the Peace river district. I am sure any hon. members who have been in that vast territory will realize what an empire it is and how much it needs opening up and development. There are millions of acres in the Peace river district, and agriculturalists tell me it is the finest land in Canada. When we bring immigrants into this country we tell them there are millions of acres of the finest land in Canada there and that they should go there and settle, but that is most difficult for anybody coming into the country, particularly as these people almost never have a large amount of capital when they come here. It is very difficult for them to go and open up country of that kind. It seems to me that it would demonstrate real vision if the government would go in there and as an experiment clear a million acres of land. I believe that could be done for around $35 million. I think it would be a good test plot, as it were, and that the government would be well advised to undertake a job of that kind to indicate to the people that they have vision and that they have the idea that this country must be opened up. So many people in Canada live in cities, and somehow or other they get the idea that is where the wealth is. That is not true. There is only one place from which wealth comes and that is from our forests, mines, farms and fisheries. The people who live outside the confines of the cities should receive credit for developing this wealth. I should like to see the government give them every possible encouragement.

There is another thing about which I have always been very sorry. I think hon. members will recall that when the pipe-line bills were going through the house in 1949 I suggested that perhaps it would be feasible for the Canadian National Railways to get into the transportation of oil. I pointed out at that time that perhaps the best freight revenue the Canadian National Railways will ever get out of that country is from the transportation of oil. However, I suppose the directors of the C.N.R. were probably too busy wondering about inside plumbing at Riviere du Loup or about what brand of paper cups they were going to use on the trains. They certainly missed the boat. When I

think of these oil transmission line companies and the way such investments have appreciated on the stock exchange to three or four times their original worth in some cases, I believe we should have been able to advance $300 million to the Canadian National Railways for such a project. We have advanced them hundreds of millions since for other projects. If they had had the necessary vision at that time and had invested $300 million in this way they could perhaps have paid for their own capital reconstruction which we put through the house last year. To me it is a tragedy that they did not have the vision at that time to see what a chance they had. They may have missed the boat in that particular instance, but I would hope that in the future they will not make the same error.

I now want to make a few remarks with respect to the meeting of the commonwealth prime ministers in the old country. I realize we are going to have a debate on this matter later, but I am wondering if we could not have used a little vision there so far as our surpluses are concerned. I realize I am not an international financier. I have never studied economics in a university or anything of that kind, but it has always seemed to me that international and public finance are not too different from private finance. When business is slack in a country; when a manufacturer finds that he has a surplus of goods and that a particular customer is hard up and cannot afford to stock the goods on his shelves, the manufacturer goes to his bank where his credit is good and arranges for credit. He goes to the retailer and says to him, "I will put a stock of my goods on your shelves on a consignment basis. You need goods so you can carry on your business. I will supply you with the goods, because I have the goods and I have the credit." Is that not just about the position in which Canada is so far as the United Kingdom is concerned? Not only would this be an extremely good move so far as the business aspect of the matter is concerned, but it has always seemed to me that we have been missing the boat strategically so far as the old country is concerned.

I do not like to say it, but I have seen many times in many magazines that in effect the United Kingdom is in great measure our primary outpost of defence. It has been called our unsinkable aircraft carrier off the coast of Europe. If it is valid for us to continue to stockpile men and aeroplanes over there, to stockpile guns and equipment, then I submit it should be equally valid for us to make sure that we have a supply of goods over there that would be available in the event of war. Nobody wants war, but if it comes we are going to find the same situation that we had the last time. We will find that half the material we send over there in the first year of war will be lost through submarine action. There is no question about that. I suggest to the government that we look at this matter very carefully. As I say, we have many products that we could send over there. I can assure the government that there is lots of lumber and base metals in British Columbia for which we are looking for markets, and I can certainly assure them that there is plenty of canned salmon which would be an excellent product to stockpile in England.

Incidentally, one of the reasons the United Kingdom is short of dollars now for the carrying on of these purchases is the fact that they have had to stockpile. The fact that they did stockpile and then found themselves short of money has caused serious repercussions so far as the base metal mines are concerned, because they will fall short of money to purchase other things. These people say that the cold war does not look quite so hot or cold, and they say they might as well put these stockpiles on the market. As a result we have had tremendous fluctuations in the prices of base metals with very disastrous results to the base metal mines of British Columbia.

I would remind the cabinet—and they must be quite conscious of it—that we have a major shareholder's interest in all the primary industries of this country. So far as canned pork is concerned, I can assure my farmer friends that the Minister of Agriculture (Mr. Gardiner) has been doing a consistently good job in taking care not only of the pork producers but of the pork packers. They also did very well. It seems to me, however, when the same problem is presented with respect to the salmon industry in British Columbia the government more or less—I do not want to be unkind to them—yawn over that one. The British Columbia salmon industry this year—and I speak not only for the packers but for the fishermen—has had a very difficult time. The country is the senior shareholder in the salmon canneries and in the fishermen and their boats, and I would point out that the industry has lost millions of dollars in British Columbia this year. The industry not only lost 48 per cent of it; the government lost its 52 per cent, and I am quite sure that the returns of the Department of Finance from British Columbia this year will reflect that very serious situation.

So far as stockpiling is concerned, I should like to point out that salmon is something like scotch whisky. You can keep it for twenty years and it is better then than it was when you first bought it. As an old expert who knows what he is talking about as far as canned salmon is concerned, I offer that by way of comment.

If you will forgive me, Mr. Speaker, should I break a rule of the house, I want to talk about practical politics a little. I want to say to the cabinet and to the Prime Minister (Mr. St. Laurent) that we are not all crazy in British Columbia, despite what happened in the last provincial election. The folks out there are pretty sound, and I would say that 95 per cent do not like, and do not understand this Social Credit monetary theory; and people do not usually support things they do not understand. I will make another categorical statement and say that 75 per cent of them do not want to have anything to do with socialism.

I know the two ministers from British Columbia will give you sound and honest advice. If you listen carefully to what they have to tell you I do not think you will have too much difficulty in British Columbia in the next federal election.

Some hon. Members: Question.

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

YEAS

Messrs:

Adamson	Green
Argue	Hees
Balcer	Herridge
Blackmore	Higgins
Blair	Hodgson
Brooks	Jones
Browne (St. John's West)	Knight
Bryce	Knowles
Casselman	Lennard
Catherwood	Macdonnell (Greenwood)
Charlton	MacInnis
Churchill	MacLean (Queens)
Diefenbaker	McGregor
Dinsdale	McLure
Drew	Montgomery
Fair	Noseworthy
Fairclough, Mrs.	Nowlan
Ferguson	Robichaud
Fleming	Spence
Fraser	Starr
Fulton	Tustin
Gagnon	White (Hastings-Peterborough)
Gillis	Wright—47.
Graydon	

NAYS

Messrs:

Anderson	Benidickson
Applewhaite	Bennett
Arsenault	Blanchette
Balcom	Blue
Beaudoin	Boivin
Bonnier	Langlois (Berthier-Maskinonge)
Boucher	Langlois (Gaspe)
Bourget	Lapointe
Bradette	Leduc
Breton	Lefrançois
Brisson	Leger
Bruneau	Lesage
Cameron	Little
Campney	Macdonald (Edmonton East)
Cannon	MacNaught
Cardin	Macnaughton
Cauchon	McCann
Chevrier	McCusker
Cleaver	McIlraith
Cloutier	McIvor
Corry	McLean (Huron-Perth)
Cote (St. Jean-Iberville-Napierville)	McMillan
Cote (Verdun-La Salle)	McWilliam
Croll	Major
Darroch	Maltais
Decore	Masse
Deslieres	Monette
Dickey	Mott
Dube	Murray (Cariboo)
Dumas	Mutch
Eyre	Nixon
Fournier (Hull)	Parent
Fulford	Pouliot
Garland	Proudfoot
Garson	Prudham
Gauthier (Lake St. John)	Ratelle
Gauthier (Lapointe)	Richard (Ottawa East)
Gauthier (Portneuf)	Richard (St. Maurice-Lafleche)
Gauthier (Sudbury)	Riley
Gibson	Roberge
Gingras	Robertson
Gingues	Robinson
Gour (Russell)	Rochefort
Harris	Rooney
Harrison	Rousseau
Healy	St. Laurent
Hellyer	Schneider
Helme	Smith (Moose Mountain)
Henderson	Stuart (Charlotte)
Henry	Studer
Hosking	Tremblay
Howe	Valois
Huffman	Weir
Hunter	Whiteside
Jeffery	Whitman
Jutras	Winkler—114.
Kickham	
Lafontaine	

Mr. Speaker: I declare the amendment lost. The question is on the original motion. Is it the pleasure of the house to adopt the motion?

Mr. Drew: On division.

Mr. White (Middlesex East): Mr. Speaker, I was paired with the hon. member for Middlesex West (Mr. McCubbin). Had I voted, I would have supported the amendment. Also, this afternoon I was paired with the hon. member for Middlesex West.

An hon. Member: Too late.

Some hon. Members: Question.

Mr. Speaker: Do I understand that the main motion carries?

Mr. Drew: On division.

Mr. Speaker: The original motion is carried on division.

Main motion (Mr. Deslieres) agreed to on division.

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

That the said 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 a 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.

BUSINESS OF THE HOUSE

CHRISTMAS ADJOURNMENT

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

That when the house adjourns this day, it stand adjourned until Monday the twelfth day of January, 1953.

Mr. Drew: At what time, Mr. Speaker?

Mr. St. Laurent: The standing order fixes 2.30 p.m.

Mr. Speaker: Two-thirty o'clock in the afternoon.

Motion agreed to.

EXTENSION OF EXPIRY DATE OF STANDING ORDER 92

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the Clerk at the table has called my attention to the fact that taking this adjournment might breach the rights of those who have petitions to present for private bills, because under the standing order they have to be presented in the six weeks period from the beginning of the session. Under similar circumstances in other sessions it has been customary to pass a motion extending the time to equal the portion of the six weeks that is taken by the adjournment. I therefore beg leave to move:

That on account of the pending adjournment of the house, the six weeks period allowed by standing order 92 for the presentation of petitions for private bills be deemed to expire on Monday, January 26, 1953, instead of on Wednesday, December 31, 1952.

Motion agreed to.

ORDER OF BUSINESS ON RESUMING

Mr. Fournier (Hull): Mr. Speaker, on the 12th day of January we propose to take up the notice of motion by the Prime Minister for the setting up of a committee on defence expenditures. Then we shall take up the different notices of motions. I am not in a position this evening to give the order in which we shall proceed with these different notices of motions.

Mr. Graydon: What about private members' day?

Mr. MacInnis: Is January 12 not private members' day?

Mr. Fournier (Hull): Then the order would apply on Tuesday, instead of on Monday, January 12.

Mr. St. Laurent: May I venture to speak on behalf of every one of your colleagues in the house, Mr. Speaker, and on their behalf as well as my own express our very best wishes for a merry Christmas and a happy new year for yourself and your family.

On motion of Mr. Fournier (Hull) the house adjourned at 10.50 p.m. until Monday, January 12, 1953, at 2.30 p.m.

HOUSE OF COMMONS

Monday, January 12, 1953

The house met at 2.30 p.m.

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:

Benidickson
Boisvert
Brooks
Cardiff
Carter
Coldwell
Cote (Matapedia-Matane)
Courtemanche
Crestohl
Dickey
Diefenbaker
Dinsdale
Fair
Fulford
Goode
Gour (Russell)
Harris
Knowles
Leduc
Lefrançois
Macdonald (Edmonton East)
MacKenzie
Murphy
Parent
Pouliot
Richard (Ottawa East)
Stewart (Yorkton)
Stuart (Charlotte)
Viau—29.

(Quorum—10)

RAILWAYS, CANALS AND TELEGRAPH LINES

Messrs:

Applewhaite
Beaudry
Bertrand
Beyerstein
Bonnier
Bourget
Browne (St. John's West)
Cannon
Carroll
Carter
Casselman
Cauchon
Cavers
Chevrier
Churchill
Clark
Conacher
Darroch
Dewar
Eudes
Ferguson
Follwell
Fulton
Garland
Gillis
Gourd (Chapleau)
Green
Harkness
Harrison
Healy
Herridge
Hodgson
James
Lafontaine
Low
Macdonald (Edmonton East)
MacNaught
McCulloch
McGregor
McIvor
Mott
Murphy
Murray (Cariboo)
Mutch
Nickle
Nixon
Noseworthy
Pouliot
Richard (St. Maurice-Lafleche)
Riley
Robinson
Rooney
Ross (Hamilton East)
Shaw
Spence
Stuart (Charlotte)
Thatcher
Weaver
Whiteside
Whitman—60.

(Quorum—20)

MISCELLANEOUS PRIVATE BILLS

Messrs:

Argue
Balcer
Balcom
Bater
Beyerstein
Bonnier
Brooks
Cameron
Cauchon
Churchill
Cleaver
Croll
Decore
Demers
Dinsdale
Eyre
Ferguson
Fournier (Maisonneuve-Rosemont)
Gauthier (Lapointe)
George
Hansell
Hees
Hosking
Hunter
Jeffery
Kent
Knight
Langlois (Berthier-Maskinonge)
Lefrançois
Lennard
Little
MacDougall
MacLean (Cape Breton North and Victoria)
Macnaughton
McLean (Huron-Perth)
Meeker
Montgomery
Noseworthy
Roberge
Robertson
Simmons
Starr
Stewart (Yorkton)
Studer
Valois
White (Middlesex East)
Whitman
Winkler
Wood
Wylie—50.

(Quorum—15)

BANKING AND COMMERCE

Messrs:

Adamson
Argue
Arsenault
Ashbourne
Balcom
Bennett
Blackmore
Brooks
Cameron
Cannon
Carroll
Cleaver
Crestohl
Dumas
Fleming
Fournier (Maisonneuve-Rosemont)
Fraser
Fulford
Fulton
Gibson
Gingras
Gour (Russell)
Harkness
Hees
Hellyer
Helme
Henry
Hunter
Jeffery
Laing
Leduc
Low
Macdonnell (Greenwood)
Macnaughton
Maltais
McCusker
Nickle
Nowlan
Picard
Quelch
Richard (Ottawa East)
Riley
Smith (York North)
Smith (Moose Mountain)
Stewart (Winnipeg North)
Thatcher
Viau
Ward
Welbourn
White (Hastings-Peterborough)—50.

(Quorum—15)

PUBLIC ACCOUNTS

Messrs:

Anderson
Applewhaite
Ashbourne
Balcer
Beaudry
Benidickson
Beyerstein
Blue
Boisvert
Boivin

Standing Committees

Brisson
Browne (St. John's West)
Cauchon
Cavers
Churchill
Cleaver
Cloutier
Croll
Denis
Fleming
Fournier (Maisonneuve-Rosemont)
Fraser
Fulford
Fulton
Gauthier (Portneuf)
Gibson
Green
Harkness
Helme
Johnston
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
Larson
Macdonald (Edmonton East)
Macdonnell (Greenwood)
Major
Maltais
McCusker
Nowlan
Pearkes
Picard
Pinard
Richard (Ottawa East)
Riley
Shaw
Sinnott
Stewart (Winnipeg North)
Thatcher
Wright—50.

(Quorum—15)

AGRICULTURE AND COLONIZATION

Messrs:

Anderson
Arsenault
Aylesworth
Bater
Bennett
Black (Chateauguay-Huntingdon-Laprairie)
Blue
Breton
Browne (St. John's West)
Bruneau
Bryce
Cardiff
Catherwood
Charlton
Clark
Corry
Courtemanche
Cruickshank
Darroch
Demers
Diefenbaker
Dinsdale
Dumas
Fair
Fontaine
Gauthier (Lapointe)
George
Gour
Harkness
Herridge
Hetland
Jutras
Jones
Kent
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Digby-Yarmouth)
Laing
MacKenzie
MacLean (Queens)
Major
Masse
McCubbin
McLean (Huron-Perth)
McWilliam
Murray (Oxford)
Murray (Cariboo)
Proudfoot
Quelch
Richard (St. Maurice-Lafleche)
Roberge
Ross (Souris)
Spence
Studer
Welbourn
White (Middlesex East)
Whitman
Wood
Wright
Wylie—60.

(Quorum—20)

STANDING ORDERS

Messrs:

Boisvert
Boucher
Breton
Casselman
Denis
Gibson
Green
Henry
Huffman
Knowles
MacLean (Cape Breton North and Victoria)
Meeker
Monette
Pinard
Quelch
Robinson
Ross (Souris)
Smith (York North)
Stuart (Charlotte)
Viau—20.

(Quorum—8)

MARINE AND FISHERIES

Messrs:

Applewhaite
Arsenault
Ashbourne
Balcom
Bennett
Black (Cumberland)
Blackmore
Breton
Cannon
Catherwood
Cote (Matapedia-Matane)
Fulford
Gibson
Gillis
Harrison
Henderson
Higgins
James
Kirk (Antigonish-Guysborough)
Langlois (Gaspe)
Leger
Macdonald (Edmonton East)
MacInnis
MacLean (Queens)
MacNaught
Maltais
McLean (Huron-Perth)
McLure
Mott
Pearkes
Robichaud
Stick
Stuart (Charlotte)
Thomas
Wood—35.

(Quorum—10)

MINES, FORESTS AND WATERS

Messrs:

Adamson
Applewhaite
Benidickson
Black (Cumberland)
Boivin
Brisson
Byrne
Dickey
Dumas
Eyre
Ferrie
Gauthier (Sudbury)
Gauthier (Lapointe)
Gourd (Chapleau)
Harkness
Herridge
Higgins
Hosking
Hunter
Jones
LaCroix
Lafontaine
Larson
Little
MacLean (Queens)
McIvor
McWilliam
Nickle
Pearkes
Proudfoot
Stick
Thomas
Weaver
Welbourn
Wylie—35.

(Quorum—10)

INDUSTRIAL RELATIONS

Messrs:

Balcer
Beaudoin
Black (Cumberland)
Boucher
Bourget
Breton
Brown (Essex West)
Byrne
Carroll
Churchill
Clark
Cloutier
Conacher
Cote (Verdun-La Salle)
Croll
Fairclough, Mrs.
Gauthier (Sudbury)
Gauthier (Lake St. John)
Gillis
Higgins
Johnston
Knowles
Lennard
Macdonald (Edmonton East)
MacInnis
McWilliam
Mott
Murphy
Nixon
Pouliot
Ross (Hamilton East)
Starr
Stewart (Yorkton)
Viau
Weaver—35.

(Quorum—10)

DEBATES

Messrs:

Boucher
Casselman
Crestohl
Hees
Henry
Johnston
Knowles
Murray (Oxford)
Pouliot
Simmons
Valois
Viau—12.

(Quorum—7)

EXTERNAL AFFAIRS

Messrs:

Bater
Benidickson
Bennett
Bradette
Coldwell
Cote (Matapedia-Matane)
Croll
Decore
Diefenbaker
Fleming
Fournier (Maisonneuve-Rosemont)
Fraser
Fulford
Gauthier (Lake St. John)
Gauthier (Portneuf)
Goode
Graydon
Green
Higgins
Jutras
Kirk (Digby-Yarmouth)
Lesage
Low
MacDougall
MacInnis
MacKenzie
Macnaughton
McCusker
Picard
Pinard
Quelch
Richard (Ottawa East)
Riley
Robichaud
Stick—35.

(Quorum—10)

PRINTING

Messrs:

Argue
Ashbourne
Bertrand
Beyerstein
Black (Chateauguay-Huntingdon-Laprairie)
Blackmore
Boivin
Bonnier
Breton
Bryce
Cameron
Cardiff
Cauchon
Cavers
Charlton
Cruickshank
Darroch
Dechene
Dickey
Fairclough, Mrs.
Ferguson
Ferrie
Follwell
Fontaine
Gingras
Gour (Russell)
Harkness
Healy
Hees
Hetland
Hodgson
Hunter
Lefrançois
MacLean (Cape Breton North and Victoria)
Maltais
McDonald (Parry Sound-Muskoka)
McIvor
McLean (Huron-Perth)
McWilliam
Montgomery
Murray (Oxford)
Robertson
Rochefort
Rowe
Shaw
Simmons
Sinnott
Stanfield
Stuart (Charlotte)
Studer
Tustin
Weaver
Whitman
Wright—54.

(Quorum—)

LIBRARY

Messrs:

Beyerstein
Blackmore
Brown (Essex West)
Carroll
Carter
Conacher
Coyle
Dechene
Demers
Dinsdale
Eudes
Gauthier (Lapointe)
Gingues
Goode
Hellyer
Henderson
Higgins
Hunter
Jones
Kirk (Antigonish-Guysborough)
Knight
LaCroix
Laing
Leger
MacLean (Queens)
MacNaught
McIlraith
McMillan
Meeker
Noseworthy
Pearkes
Proudfoot
Ratelle
Rochefort
Ross (Hamilton East)
Rowe
Smith (York North)
Smith (Moose Mountain)
Tustin
Valois
Ward
White (Middlesex East)
Whiteside
Winkler—44.

(Quorum—)

RESTAURANT

Messrs:

Casselman
Cruickshank
Dewar
Ferguson
Gauthier (Sudbury)
Gour (Russell)
Hansell
Harkness
Langlois (Berthier-Maskinonge)
Little
Macdonald (Edmonton East)
MacNaught
Masse
McCulloch
McGregor
Ratelle
Richard (Ottawa East)
Riley
Rochefort
Stewart (Winnipeg North)
Stick
Ward
Warren
White (Hastings-Peterborough)

(Quorum—)

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. Argue, Ashbourne, Bertrand, Beyerstein, Black, (Chateauguay-Huntingdon-Laprairie), Blackmore, Boivin, Bonnier, Breton, Bryce, Cameron, Cardiff, Cauchon, Cavers, Charlton, Cruickshank, Darroch, Dechene, Dickey, Fairclough, Mrs., Ferguson, Ferrie, Follwell, Fontaine, Gingras, Gour (Russell), Harkness, Healy, Hees, Hetland, Hodgson, Hunter, Lefrançois, MacLean (Cape Breton North and Victoria), Maltais, McDonald (Parry Sound-Muskoka), McIvor, McLean (Huron-Perth), McWilliam, Montgomery, Murray (Oxford), Robertson, Rochefort, Rowe, Shaw, Simmons, Sinnott, Stanfield, Stuart (Charlotte), Studer, Tustin, Weaver, Whitman and Wright, 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 acquainting Their Honours that this house has appointed Mr.

Speaker and Messrs: Beyerstein, Blackmore, Brown (Essex West), Carroll, Carter, Conacher, Coyle, Dechene, Demers, Dinsdale, Eudes, Gauthier (Lapointe), Gingues, Goode, Hellyer, Henderson, Higgins, Hunter, Jones, Kirk (Antigonish-Guysborough), Knight, LaCroix, Laing, Leger, MacLean (Queens), MacNaught, McIlraith, McMillan, Meeker, Noseworthy, Pearkes, Proudfoot, Ratelle, Rochefort, Ross (Hamilton East), Rowe, Smith (York North), Smith (Moose Mountain), Tustin, Valois, Ward, White (Middlesex East), Whiteside and Winkler, 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.

PARLIAMENTARY RESTAURANT

Mr. W. G. Weir (Portage-Neepawa) moved:

That a message be sent to the Senate acquainting their honours that this house has appointed Mr. Speaker and Messrs: Casselman, Cruickshank, Dewar, Ferguson, Gauthier (Sudbury), Gour (Russell), Hansell, Harkness, Langlois (Berthier-Maskinonge), Little, Macdonald (Edmonton East), MacNaught, Masse, McCulloch, McGregor, Ratelle, Richard (Ottawa East), Riley, Rochefort, Stewart (Winnipeg North), Stick, Ward, Warren and White (Hastings-Peterborough), to assist His Honour the Speaker in the direction of the 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.

PUBLIC ACCOUNTS

PUBLIC ACCOUNTS AND AUDITOR GENERAL'S REPORT

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, I beg to table the public accounts of Canada, and the report of the Auditor General for the fiscal year ended March 31, 1952.

REPORTS AND PAPERS

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I wish to lay on the table two copies in English and French of the *Canada Gazette*, part II, statutory orders and regulations, issued on December 24, 1952.

I should also like to lay on the table a summary of orders in council passed during the period December 1 to 31, 1952.

I am sure the hon. member for Lake Centre (Mr. Diefenbaker) will be glad to know that there are only about a third as many as were passed in the month of December, 1951. That is due, mostly, to the establishment of government contract regulations and land purchase regulations, under which the powers of the governor in council are delegated in certain cases to the appropriate minister and, in other cases, to treasury board.

[Mr. Weir.]

Mr. Diefenbaker: This action shows signs of improvement.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 63, for the relief of Robert Gordon.—Mr. Winkler.

Bill No. 64, for the relief of Helen Isabelle Hammond Dadson.—Mr. Winkler.

Bill No. 65, for the relief of Harold Gordon McFarlane.—Mr. Winkler.

Bill No. 66, for the relief of Dezso Ferenc Cross.—Mr. Winkler.

Bill No. 67, for the relief of Eric Ernest Auclair.—Mr. Winkler.

Bill No. 68, for the relief of Napoleon Jean-Paul Chayer.—Mr. Winkler.

Bill No. 69, for the relief of Marie Josephte Gilberte Belanger Byrne.—Mr. Winkler.

Bill No. 70, for the relief of Nina Difiore Statner.—Mr. Winkler.

Bill No. 71, for the relief of Tillie Tietlebaum Victor.—Mr. Winkler.

Bill No. 72, for the relief of Elina Iacurto Floyd.—Mr. Winkler.

Bill No. 73, for the relief of Jennie Miller Solomon.—Mr. Winkler.

Bill No. 74, for the relief of Elia Kuczerian.—Mr. Winkler.

Bill No. 75, for the relief of Ruth Audrey Lorraine Beauchamp Laderoute.—Mr. Winkler.

Bill No. 76, for the relief of Phyllis Newman Lunan.—Mr. Winkler.

Bill No. 77, for the relief of Helen Doreen Cave Crawshaw.—Mr. Winkler.

Bill No. 78, for the relief of Armand Frenette.—Mr. Winkler.

Bill No. 79, for the relief of Florence Brown Boyaner.—Mr. Winkler.

Bill No. 80, for the relief of Eileen Mercedes Hudson Walsh.—Mr. Winkler.

Bill No. 81, for the relief of Madeleine McCartney Ratcliff.—Mr. Winkler.

Bill No. 82, for the relief of Kathleen Mary Wilkinson Paraskiewicz.—Mr. Winkler.

Bill No. 83, for the relief of Georges Chaput.—Mr. Winkler.

Bill No. 84, for the relief of Florence Anna Carsh Laing.—Mr. Winkler.

Bill No. 85, for the relief of Beatrice Miriam Kert Beloff.—Mr. Winkler.

Bill No. 86, for the relief of John Alexander Stronach.—Mr. Winkler.

Bill No. 87, for the relief of Raymond Gelinas.—Mr. Winkler.

Bill No. 88, for the relief of Anna Madeline Patterson Cotter.—Mr. Winkler.

Bill No. 89, for the relief of Claudia Marie Boudreau Leblanc.—Mr. Winkler.

Bill No. 90, for the relief of Lily Belzberg Bigman.—Mr. Winkler.

Bill No. 91, for the relief of Joseph Arthur Lesage.—Mr. Winkler.

Bill No. 92, for the relief of Minnie Gruhn Boon.—Mr. Winkler.

IRRIGATION

SOUTH SASKATCHEWAN RIVER—INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I should like to ask the Prime Minister whether or not the report from the commission on the Saskatchewan river dam and irrigation project is available. If so, is it favourable, and is it the government's intention to go ahead with the project?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I wish to answer the three questions separately. The information I have is that the printing of the appendices for the report will be complete on the 17th. We have asked if it cannot be advanced a bit so that we may be able to submit the report and the appendices to the Governor General and table them this week. I am not sure whether the printer will be able to comply with that request or not; but I fully expect that, if he cannot, they will be ready for tabling on Monday.

As to whether or not the report is favourable, I do not think I should answer that question until the report has gone to His Excellency the Governor General. I must confess that out of curiosity I read the first part of it, but I would not care to be further indiscreet about it or about action upon it.

Mr. Diefenbaker: I asked the Prime Minister this question because *Time* magazine advanced all the arguments appearing in it, and I am wondering how that magazine got hold of it.

Mr. St. Laurent: The hon. member knows that this is not the only instance where leaks have taken place.

Mr. Diefenbaker: Is this report not to be changed?

P.E.I. CAR FERRY SERVICE

BORDEN-TORMENTINE FERRY—TRANSFER OF MANAGEMENT

On the orders of the day:

Mr. W. Chester S. McLure (Queens): Mr. Speaker, I should like to ask a question of the Minister of Transport. Does the government propose to transfer the management of the Borden-Tormentine ferries from the Canadian National Railways to Canadian National Steamships? If so, on what date; and has the government of Prince Edward Island been informed of the proposed change?

Hon. Lionel Chevrier (Minister of Transport): I am not aware of any such proposal.

An hon. Member: Try again.

NATIONAL LIBRARY

INQUIRY AS TO CONSTRUCTION OF BUILDING

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask a question of the Prime Minister. Can he say whether any definite decision has been taken with respect to the construction of a building to house the national library?

Right Hon. L. S. St. Laurent (Prime Minister): Well, Mr. Speaker, perhaps I should not venture to reply at once to a question in that form. There has been a decision upon a site for the national library, and an architect has been commissioned to prepare the plans for it.

In principle, the decision was made when the legislation was recommended to the house that there be a national library, when parliament saw fit, upon recommendation of the government, to appropriate the funds required for it. As soon as a decision to seek an appropriation is made it will be announced to the house.

NORTH ATLANTIC TREATY

EUROPEAN DEFENCE COMMUNITY PROTOCOL

On the orders of the day:

Mr. Gordon Graydon (Peel): Mr. Speaker, I should like to ask a question of the Secretary of State for External Affairs. I gave him notice, but I am afraid it was a little late to be of much use to him. Then, I did not bring my own copy of the question to the house so, in that respect, we are both in the same position.

In view of the news reports which came from Paris and Bonn in the latter part of last week indicating that perhaps the European defence community arrangements were going to be altered in a far-reaching fashion—

Mr. Mutch: Question.

Mr. Graydon: Well, I was not directing it to you, but perhaps you would like to answer it.

In view of this, will it be necessary to revise the protocol that was endorsed and approved by this House of Commons last spring? Perhaps the minister would indicate

what nations have given legislative approval of the North Atlantic Treaty Organization protocol.

Hon. L. B. Pearson (Secretary of State for External Affairs): Before I attempt to answer that question, which deals with a very important matter, I would wish to know whether the reported statements to which my hon. friend referred will result in any particular proposals and, if so, what these proposals will be. Before we get word of the proposals it is most difficult to say what effect, if any, they would have on the European defence community and the protocol to the North Atlantic treaty.

Replying to the latter part of the question, I shall have to look up and see how many countries have ratified the protocol and I will let my hon. friend know as soon as I get that information.

NATIONAL DEFENCE

APPOINTMENT OF SUPERVISOR OF DEFENCE EXPENDITURES

On the orders of the day:

Mr. D. S. Harkness (Calgary East): I should like to direct a question to the Minister of National Defence (Mr. Claxton) or to the Acting Minister of Defence Production, whichever is appropriate. Is it correct, as reported in the press, that Mr. Hunter has been appointed to supervise defence expenditures and, if so, what were the reasons that it was felt necessary to make this appointment?

Hon. Lionel Chevrier (Acting Minister of Defence Production): Mr. Speaker, if the hon. gentleman will allow this question to stand I shall be glad to get the information and give him a reply later.

RADIO BROADCASTING

INQUIRY AS TO ABOLITION OF LICENCE FEE

On the orders of the day:

Mr. Gordon Graydon (Peel): May I ask the Minister of National Revenue if the government has come any nearer to making a decision with respect to the abolition of the radio licence fee?

Hon. J. J. McCann (Minister of National Revenue): Not any nearer.

PRIVATE BILLS

On the order:

Second Reading of Bill No. 11, for the relief of Barbara Carrique Cordeau.—Mr. Winkler.

[Mr. Graydon.]

Mr. Speaker: There are a number of divorce bills on the order paper. Would the house like me to call all the bills at one time for second reading?

Some hon. Members: Agreed.

SECOND READINGS—SENATE BILLS

Mr. H. W. Winkler (Lisgar) moved that the following bills be read the second time:

Bill No. 11, for the relief of Barbara Carrique Cordeau.—Mr. Winkler.

Bill No. 12, for the relief of Frederick Kenneth Hare.—Mr. Winkler.

Bill No. 13, for the relief of Frances Wavertree Harris McClure.—Mr. Winkler.

Bill No. 14, for the relief of Nicole Jeanne Andree Marion Comys.—Mr. Winkler.

Bill No. 15, for the relief of Joseph Mattioli.—Mr. Winkler.

Bill No. 16, for the relief of Gabrielle Bertrand McCullough.—Mr. Winkler.

Bill No. 17, for the relief of Katherine Jessie McArthur.—Mr. Winkler.

Bill No. 20, for the relief of Sarah Cohen Lintz.—Mr. Winkler.

Bill No. 21, for the relief of Fernande Robitaille Viel.—Mr. Winkler.

Bill No. 22, for the relief of John Joseph Francis.—Mr. Winkler.

Bill No. 23, for the relief of Olga Andrews Martin.—Mr. Winkler.

Bill No. 24, for the relief of Lois Hattie Adelstein Green.—Mr. Winkler.

Bill No. 25, for the relief of Nellie Slade McCue.—Mr. Winkler.

Bill No. 26, for the relief of Jean Davis Brady.—Mr. Winkler.

Bill No. 27, for the relief of Dominique Fiorito.—Mr. Winkler.

Bill No. 28, for the relief of Pearl Elmeda Clarke Staples.—Mr. Winkler.

Bill No. 29, for the relief of James Arthur Bruce.—Mr. Winkler.

Bill No. 30, for the relief of Bernice Rosen Rapps.—Mr. Winkler.

Bill No. 31, for the relief of Murray Cecil Day.—Mr. Winkler.

Bill No. 32, for the relief of Elizabeth Florence Robson Hamilton.—Mr. Winkler.

Bill No. 33, for the relief of Winniefred Ann Maltby Gurlevitch.—Mr. Winkler.

Bill No. 34, for the relief of Marie Claude Audette Isabelle Boulanger Douglas.—Mr. Winkler.

Bill No. 35, for the relief of Gaston Courtemanche.—Mr. Winkler.

Bill No. 36, for the relief of Norma Bernstein Cohen.—Mr. Winkler.

Bill No. 49, for the relief of Mina Eisenthal Hamerman Segal, otherwise known as Mina Eisenthal Segall.—Mr. Winkler.

Bill No. 50, for the relief of Agnes Charlotte Quamme Higgins.—Mr. Winkler.

Bill No. 51, for the relief of Agnes Mary Perkins Pereira.—Mr. Winkler.

Bill No. 52, for the relief of Rosalia Marie Sepchuk Maniloff.—Mr. Winkler.

Bill No. 53, for the relief of Anne Reddie Banks Carruthers Beaudoin.—Mr. Winkler.

Bill No. 54, for the relief of Doris Isabell Dalzell Bennett.—Mr. Winkler.

Bill No. 55, for the relief of Costanza Marzitelli Boisvert.—Mr. Winkler.

Bill No. 56, for the relief of Gladys Emily Miller Young.—Mr. Winkler.

Bill No. 57, for the relief of Francoise Ernout Fisher.—Mr. Winkler.

Bill No. 58, for the relief of Margaret Girvan Hill.—Mr. Winkler.

Bill No. 59, for the relief of Fernand Ratelle.—Mr. Winkler.

Bill No. 60, for the relief of Charles Meela Voyinovitch Seifert.—Mr. Winkler.

Bill No. 61, for the relief of Lily Isenberg Kwavnick.—Mr. Winkler.

Bill No. 62, for the relief of Doreen Mae Walmough dit Watmough Colson.—Mr. Winkler.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it is not my intention today to take time to speak to any of these thirty-eight divorce bills, the second reading of which is now before the house. However, I cannot let the motion for the second reading of these thirty-eight bills pass without indicating my continued opposition to this method of dealing with divorces and my hope that even yet this parliament will find a better way.

Mr. Speaker: Will the motion carry?

Some hon. Members: On division.

Motion agreed to and bills read the second time.

Mr. Speaker: These bills are referred to the standing committee on miscellaneous private bills.

PEACE RIVER TRANSMISSION COMPANY LIMITED

Mr. G. M. Murray (Cariboo) moved the second reading of Bill No. 42, to incorporate Peace River Transmission Company Limited.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

BEAVER FIRE INSURANCE COMPANY

Mr. J. H. Rooney (St. Paul's) moved the second reading of Bill No. 43, respecting Beaver Fire Insurance Company.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

QUESTIONS

GARAND RIFLES—PURCHASES FROM UNITED STATES

Mr. Cardiff:

1. How many ·300 Garand rifles, if any, were ordered from the United States?
2. Has delivery been received of the total number ordered?
3. What was the total purchase price of ·300 Garand rifles received by Canada?
4. Is Canada still purchasing these rifles?

Mr. Bradley:

1. 34,096.

2. No.

3. Garand rifles received to date were delivered for a total quoted price of $703,014. Payments thus far have been advances; no actual bills have been received.

4. No.

ARMED FORCES, KOREA—DISCHARGES AND RE-ENLISTMENTS

Mr. Diefenbaker:

1. How many men have returned from Korea after service with the armed forces, month by month, since the 1st of January, 1952?
2. Of these, how many have been discharged, month by month?
3. Of those discharged, how many have re-enlisted?

Mr. Blanchette:

1.	January, 1952	160
	February	172
	March	796
	April	397
	May	3,391
	June	1,062
	July	493
	August	779
	September	499
	October	413
	November	160
		8,322
2.	January, 1952	0
	February	11
	March	34
	April	56
	May	31
	June	104
	July	436
	August	1,223
	September	548
	October	413
	November	293
		3,149

3. 107.

Questions

CANADIAN NATIONAL RAILWAYS, NFLD.—
EARNINGS, ROLLING STOCK, ETC.

Mr. Higgins:

1. Has there been an increase in freight earnings by the Canadian National Railways Newfoundland services, since the date the Canadian National Railways assumed control of the Newfoundland Railway, to the present date?
2. If so, what has the yearly increase amounted to?
3. Has there been an increase in passenger earnings?
4. If so, what has the increase amounted to?
5. Is it proposed to increase the number of locomotives and rolling stock of the Canadian National Railways services in Newfoundland?
6. If so, in what manner?

Mr. Benidickson:

The Canadian National Railways advise as follows:

1. Yes.

2. The railway does not publish freight earnings and expense figures on a territorial basis. However, as an indication of the trend of Canadian National Railways business in Newfoundland, the following table shows freight train miles for 1950, 1951, and eleven months for 1952. Comparable figures for 1949 are not available.

	(1) Year	(2) Year	Inc. 2 over	(3) 11 Mos.	(4) 11 Mos.	Inc. 4 over
Freight	1950	1951	1	1951	1952	3
Frt. Train Miles	949,311	1,053,461	11·0	974,245	1,089,778	11·9
Gross Ton Miles	344,086,252	391,793,652	13·9	365,683,596	423,323,904	15·8

3. Yes, with the exception that to October 31, 1952, 1952 is slightly under 1951.

4. The railway does not publish passenger earnings and expense figures on a territorial basis. However, as an indication of the trend of Canadian National Railways business in Newfoundland, the following table shows passenger train miles for 1950, 1951, and eleven months for 1952. Comparable figures for 1949 are not available.

	(1) Year	(2) Year	Inc. 2 over	(3) 11 Mos.	(4) 11 Mos.	Inc. 4 over
Passenger	1950	1951	1	1951	1952	3
Pass. Train Miles	336,980	346,437	2·8	316,581	318,714	0·7
Pass. Car Miles	3,345,822	3,682,657	10·1	3,368,272	3,555,387	5·6

5. Yes.

6. Current new equipment orders are: 9 diesel locomotives, 100 box cars, 150 flat cars, 75 gondola cars, 50 refrigerator cars, 12 snowplows;

Current conversion program is: 1 dining car from coach, 5 cabooses from box cars, 31 work equipment cars from freight cars.

Approximate estimated cost $5,152,000.

T. EATON COMPANY, CHURCHILL

Mr. Knowles:

1. Are military vehicles and personnel being used to transport merchandise for the T. Eaton Company Limited, from the railway station at Churchill, Manitoba, to the commissary at Fort Churchill?
2. If so, by what authority and under what terms?

Mr. Blanchette:

1. No. However, twice weekly there is a run from the station at Fort Churchill to the commissary store, a distance of five miles, to pick up and deliver supplies. Since there is no express delivery, parcels which have been expressed to service personnel are also picked up and left at the commissary where they are collected by their owners. This arrangement, which is a convenience for all personnel stationed at Fort Churchill, does not necessitate the use of additional service personnel or vehicles.

2. Not applicable.

H.M.C. "DOCKYARD"—CIVILIAN PERSONNEL

Mr. Balcom:

What is the number of civilians (a) male; (b) female, employed at H.M.C. dockyard, including the magazines, armament depot and *Shearwater*?

Mr. Blanchette:

As at October 31, 1952:

	Male	Female	Total
H.M.C. Dockyard, Halifax (including the magazines and armament depot) ..	3,178	381	3,559
H.M.C.S. *Shearwater* ..	383	60	443
	3,561	441	4,002

RETIRED FEDERAL CIVIL SERVANTS—PENSION INCREASES

Mr. Knowles:

Has the government given consideration to the provision of a cost of living bonus or other increase in the pensions of federal civil servants already retired? If so, what is the result of such consideration?

Mr. Lesage: The government's policy in connection with the granting of a cost of living bonus to superannuated civil servants has been stated many times in the House of Commons and in answers to questions. A complete statement was given by the Minister of Finance on January 28, 1949 (see *Hansard* for that date, page 42).

NO. 16 REGIONAL ORDNANCE DEPOT, REGINA

Mr. Thatcher:

1. When was No. 16 regional ordnance depot established in Regina?
2. What was the original purchase price of the building and property?
3. Is the regional depot now being transferred to Winnipeg? If so, for what reason?
4. How much will it cost in total, including the cost of new buildings, to transfer this regional depot from Regina to Winnipeg?
5. From the military standpoint, will the new Winnipeg depot be able to serve any function, not now performed by the depot established in Regina?

Mr. Blanchette:

1. January 1, 1946.

2. $700,000.

3. The army ordnance depot in Regina will continue to function there but ordnance depot facilities in the west will be increased by the addition of a depot in Winnipeg.

4. Transfer from the depot in Regina to the new depot in Winnipeg will be limited to the movement of approximately 50 selected personnel at a cost estimated at $8,810. These 50 personnel will be necessary in order to enable the new depot to function with efficiency from the outset.

5. The new depot in Winnipeg will enable army installations in Manitoba and the western part of Ontario to be served at reduced transportation costs. In addition, the new depot in Winnipeg will be used for supply of Fort Churchill which, at the present time, is supplied from central ordnance depots located in eastern Canada.

DEFENCE HEADQUARTERS—PERSONNEL

Mr. Thatcher:

1. How many officers of all forces are attached to, or stationed at, national defence headquarters?
2. How many non-commissioned ranks of all forces are attached to, or stationed at, national defence headquarters?
3. How many civilians are attached to, or stationed at, national defence headquarters?

Mr. Blanchette:

(All answers are as at Nov. 30, 1952)

1. 1,511.

2. 1,335.

3. 4,389.

ARMED FORCES—ENROLMENTS AND DISCHARGES

Mr. Harkness:

1. What is the strength, at the latest available date, of the Canadian navy, army and air force?
2. What were the enrolments in each of these services during the previous year?
3. (a) What were the discharges in each of these services during the previous year? (b) How many of these discharges were classed as desertion or due to absence without leave?

Mr. Blanchette:

1. Strength: as at 30 November, 1952.

Navy	14,928
Army	47,702
R.C.A.F.	37,962
	100,592

2. Enrolments: from 1 December, 1951 to 30 November, 1952.

Navy	3,835
Army	13,134
R.C.A.F.	12,310
	29,279

3. (a) Releases: including deaths, from 1 December, 1951 to 30 November, 1952.

Navy	1,398
Army	9,117
R.C.A.F.	3,286
	13,801

(b) None. In accordance with service practice, deserters are not considered to have been released or discharged from the service. Total desertions not subsequently apprehended or returned to duty were 2,005. The offence of absence without leave covers absences as short as one hour and most cases are dealt with summarily. Consequently no record of these is kept at national defence headquarters except in instances involving trial by court martial.

CANADIAN NICKEL COMPANY, CHURCHILL

Mr. Knowles:

1. Are employees of the Canadian Nickel Company being housed by the Department of National Defence at Fort Churchill, Manitoba?
2. If so, under what terms and for what reasons?
3. Are vehicles owned by the Canadian Nickel Company being serviced by the Department of National Defence at Fort Churchill, Manitoba?
4. If so, under what terms and for what reasons?

Questions

Mr. Blanchette:

1. Yes.

2. Nine employees of the Canadian Nickel Company are housed in single accommodation provided by the Department of National Defence at Fort Churchill. They are charged at the rate of $4 per day. They are given single accommodation by DND because no other accommodation is available to them near their stores and aircraft which are used to supply their workings at Ferguson Lake.

3. No.

4. Not applicable.

INDIAN HOSPITAL, MOOSE FACTORY

Mr. Hodgson:

1. Has building started on the retaining wall to protect the Indian hospital building at Moose Factory in the James Bay area?
2. What is the estimated cost of such wall?
3. Who owned the land on the island where this hospital was built?
4. On whose authority was the hospital built on this island?

Mr. Bradley:

1. No.

2. Answered by No. 1.

3. The land was purchased by the crown from the Hudson's Bay Company.

4. Order in council P.C. 1363 of April 6, 1948.

NELSON, B.C., ARMOURY

Mr. Herridge:

What amount has been expended for the repairs or improvements to the armoury at Nelson, British Columbia, for the years 1946 to 1952 inclusive?

Mr. Blanchette: The total amount expended for repairs or improvements to the armouries at Nelson, B.C. from April 1, 1946 to December 19, 1952, is $5,759.27.

STEVENSON AIRFIELD—WORKING HOURS FOR CLEANERS

Mr. Bryce:

Were the hours of the cleaners, working for the Department of National Defence at Stevenson airfield, increased from 44 to 48 hours per week on the 1st of November, 1952?

Mr. Blanchette: No.

CANADIAN ARMY—OFFICERS—PROMOTIONS

Mr. Goode:

1. How many officers are on strength in the regular Canadian army?
2. Of these, how many were promoted from the ranks?

Mr. Blanchette:

1. 5,066 at November 30, 1952.

2. From October 1, 1946, the date which marks the commencement of the Canadian Army active force, to November 30, 1952, 626 officers have been commissioned from the ranks.

The present system of machine records has been in effect since October 1, 1946. To ascertain the number of officers who have been commissioned from the ranks prior to that date would require a manual check of over 5,000 personal files.

JEEPS FOR FORCES IN EUROPE—WITHDRAWAL FROM RESERVE FORMATIONS

Mr. MacLean (Queens):

1. Have jeeps been withdrawn from Canadian reserve formations in order to equip (a) Canadian forces in Europe; (b) forces in Europe of other NATO countries?
2. If so, have these reserve units been issued with identical or similar vehicles as replacements?

Mr. Blanchette:

1. All second war patterns of jeeps (cars 5-cwt) in the Canadian army have been offered as mutual aid to other north Atlantic countries.

2. These vehicles are being replaced by improved vehicles of a similar type out of new production and by standard commercial vehicles where they will be more suitable for the task to be performed. It is expected that this replacement will be completed within the next three months.

PETAWAWA—NAMES ON PAYROLLS

Mrs. Fairclough:

1. Were any names of persons listed on Petawawa payrolls which did not represent living human beings?
2. If so, how many?
3. At what rate of pay were they listed?
4. Was remuneration in cash or by cheque?
5. If the latter, who cashed the cheques?
6. Were deductions made for income tax purposes at source?
7. If so, what claims, if any, were made for exemption because of (a) married status; (b) other dependents?

Mr. St. Laurent: Mr. Speaker, as this question concerns matters in which the Department of National Defence, the Department of National Revenue and the Department of Justice are all three interested, I believe it would be appropriate that I answer it. The answer to the first question is "no" and therefore the remaining questions are not applicable.

As this answer will appear to differ from a two-line statement in the Currie report tabled on December 15 last, I think I should state the facts in this connection so far as it has been possible to ascertain them. I make this qualification because a part of the information is based on statements secured by the police from Sergeant Young who is now in

the penitentiary and it is not possible to check all of them from official records.

In February, 1951, it was decided that an area in what is known as camp X at Petawawa should be cleared as quickly as possible. Teams and teamsters were needed, but only three farmers with their teams were found to be available for hire, even though they were to be put on the payroll at the highest rate authorized for tradesmen, namely, that of bricklayers at $1.50 per hour. As more were needed, Staff Sergeant Young hired horses on his own account from a civilian in Pembroke at $1 per horse per day plus feed and care, arranged with eight labourers to act as teamsters and had them placed on the payroll at $1.50 an hour as if they themselves were supplying the horses. The men kept their regular pay of 75 cents per hour plus 5 cents additional or 80 cents per hour and turned over the difference to Young.

Captain Baldock shared in this illegal profit, as he did in profits derived from certain other offences at Petawawa. There was no collusion between Young and the farmers who brought their own teams, and Young received no rebate from them. Both Baldock and Young have since been convicted and are at present serving penitentiary sentences.

The names on the payroll were the names of labourers who actually existed and who worked as teamsters. There were no false names on the payroll and no horses on the payroll. I am further advised that the customary income tax deductions were made against each one of these teamsters in accordance with his own personal family status.

Mrs. Fairclough: What I am interested in learning is to whom the 70 cents a day, or whatever it was, was charged for purposes of income tax. Was it charged to the teamster or was it charged to the owner of the horse?

Mr. St. Laurent: Deductions were made against each one of these labourers as if he were getting $1.50 an hour. The deduction was made in accordance with his own personal family status, whether he was single or married and had or did not have children, at the appropriate rates for that status. They have a credit against income tax which bears marks of the irregularities connected with the way in which the whole thing was engineered.

Mrs. Fairclough: It sounds like a good deal for the owner of the horse.

Mr. Speaker: Answered.

Questions

SOLDIER SETTLEMENT PROPERTIES—MINERAL RIGHTS

Mr. Dinsdale:

1. Who owns the mineral rights on soldier settlement and V.L.A. properties?
2. Who owns the mineral rights on soldier settlement lands reverting to the crown because of default in payment?
3. Do these mineral rights go with the property when it is later disposed of under the V.L.A.?
4. If not, for what reason?

Mr. Mutch:

1. Any mineral rights acquired in the purchase of land under the provisions of the Soldier Settlement Act are regarded as acquired by the crown in the right of Canada and are under the control and jurisdiction of the Department of Resources and Development. Any mineral rights acquired in the purchase of land under the provisions of the Veterans Land Act are acquired by and are under the control and administration of the director, the Veterans Land Act, in his capacity as an agent of the crown. When lands are sold under the provisions of the Veterans Land Act the sale includes any mineral rights held by the director.

2. The crown in the right of Canada.

3. Reverted soldier settlement lands are not disposed of under the Veterans Land Act. They are disposed of under the Soldier Settlement Act. When any lands are sold under the Soldier Settlement Act no mines and minerals are included.

4. Because of the restrictions incorporated in section 57 of the Soldier Settlement Act.

YARMOUTH-BAR HARBOR FERRY—COMMITTEE

Mr. Robichaud:

1. What are the names, addresses and occupation of the members of the committee which was established to study the economic and operative features of the Yarmouth-Bar Harbor, Maine, ferry?
2. When and where did this committee meet?
3. Has this committee submitted a written report, and if so, where is this report available?

Mr. Benidickson:

1. Angus McGugan, commissioner, Canadian maritime commission (chairman). The Hon. Harold Connolly, minister of health and welfare, Halifax, N.S. T. J. Courtney, director, bureau of information, Halifax, N.S. S. W. Fairweather, vice-president, department of research and development, Canadian National Railways. W. J. Fisher, director, traffic services branch, Canadian maritime commission. Alex Watson, marine superintendent, Department of Transport. B. Carwardine, mechanical superintendent of dredges, Department of Public Works.

2. (i) 10th January, 1950, Ottawa; (ii) 24th February, 1950, Montreal; (iii) 13th March,

1950, Halifax; (iv) 3rd April, 1950, Portland, Me.; (v) 10th May, 1950, Ottawa; (vi) 20th July, 1950, Montreal; (vii) 8th August, 1950, Ottawa; (viii), 27th September, 1950, Bar Harbor, Me.; (ix) 27th October, 1950, Montreal; (x) 4th July, 1952, Montreal; (xi) 4th December, 1952, Portland; (xii) 5th December, 1952, Portland.

3. No formal written report has been prepared.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CIGARETTE IMPORTS

Mr. Murphy:

1. How many cigarettes were imported into Canada in 1951 and 1952?
2. What were the brand names and what were the quantities of each brand?
3. What was the amount of revenue to Canada?
4. What was the weight of tobacco in cigarettes imported?

Mr. Bradley: Return tabled.

STATISTICS FORMS

Mr. Lennard:

1. How many of forms E60 A 30M-4-51 and E49 25M-1-51 have been printed to date for the bureau of statistics?
2. What was the cost?
3. When were they put into use?
4. How many have been recorded?
5. Of what value are these records?

Mr. Bradley: Return tabled.

MOTION FOR PAPERS

MILITARY TRAINING AREA, N. B.— CORRESPONDENCE

Mr. Brooks:

For a copy of all correspondence from January 1, 1951, to date, exchanged between the federal government or any department thereof and the government of the province of New Brunswick or any department thereof, relative to the taking over of an area in Queens and Sunbury counties, New Brunswick, as a military training area.

He said: I would ask, Mr. Speaker, that you allow this motion to stand. I think the minister has good and sufficient reasons for wanting it to stand, and I am quite willing that it should.

Mr. Speaker: Stand.

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 the 4 per cent limitation from the section which makes provision for the deductibility of medical expenses for income tax purposes.

He said: Mr. Speaker, as everyone knows, there was in the former Income War Tax Act, and there is in the present Income Tax Act, a provision respecting the deductibility of medical expenses for income tax purposes. This has been in effect since 1943. However, that provision is limited by at least three main conditions. In the first place, those medical expenses which can be deducted are only those expenses defined as such in the Income Tax Act. That definition was quite narrow at first. It has been broadened a bit from time to time but it is still, in the view of many of us, altogether too narrow. At any rate, that is one of the limitations upon the right to deduct medical expenses from one's taxable income before computing income tax.

A second condition which is attached to this provision is what is known as a ceiling. In other words, right from the start there has been an upper limit as to the gross or aggregate amount that any taxpayer can claim as a deduction for income tax purposes. That amount has been changed on two or three occasions. Indeed, a year ago the ceiling was raised so that it now is $1,500 for a taxpayer who is on a single basis and $2,000 for a taxpayer who is on a married basis, plus $500 per dependent up to a limit of four dependents, or a limit of $2,000 for one's dependents. That is the second limitation on this provision, namely, the ceiling, the present terms of which I have just indicated.

I said a moment ago that some of us are not satisfied with the narrowness of the definition of medical expenses. We feel that it should be much wider, and I want to make it perfectly clear that, although I believe that the definition should be broadened to include other drugs than those now covered, to include spectacles, hearing aids and other such items, nevertheless that request is not contained in the motion now before the house, for the simple reason that it is wise to make one request of this kind at a time.

With respect to the second condition, namely, that of a ceiling on the amount that can be charged, I support the principle of there being a ceiling. Prior to the change that was made last year I felt that the ceiling was not high enough, particularly in view of the increases that had taken place in the cost of medical care, but so far as I can see the figures that are set out now as a ceiling are more or less satisfactory. Therefore I am not asking for any change in that part of this provision.

I come now to the third of the conditions or limitations which is attached to the provision for deducting medical expenses. The third provision is what is sometimes referred to as a floor or, in other words, a stipulation that there can be deducted from taxable income only that portion of medical expenses which is in excess of 4 per cent of net income. When this provision was first written into the Income War Tax Act by Mr. Ilsley in 1943 that figure was 5 per cent. In 1944 the figure was reduced to 4 per cent. The story of that reduction is very interesting for, as I have pointed out on previous occasions, the budget resolutions of 1944 did not forecast any such reduction of the 5 per cent figure. There was, however, considerable clamour on the floor of the house for the wiping out of that floor or reducing it, and in response to the debate that took place on that occasion Mr. Ilsley came back later in the same session and reduced the floor to 4 per cent. However, there it has remained ever since 1944.

As hon. members know, the 4 per cent floor relates to one's net income, not just to one's taxable income. Thus, if a person is on an annual salary of $4,000 a year and is a married man, although his statutory exemption is $2,000—which means that he pays his income tax on only the other $2,000—nevertheless, when it comes to computing his income tax and to ascertaining whether his medical expenses are of any help to him, he can enter on the income tax form only that portion of his medical expenses in excess of 4 per cent of the total of his income—namely, 4 per cent of $4,000. In that case the first $160 does not count. It is only the portion of medical expenses above $160 in that example that can be allowed as a deduction for income tax purposes.

Now, Mr. Speaker, the whole purpose of this resolution which is before the house relates to one point and to one point only, namely that 4 per cent floor. It asks that the 4 per cent floor be wiped out and that consideration be given to the necessary legislation to make it possible for taxpayers to deduct their medical expenses right from the first dollar up to the limits that are set out in the act. It is well known to all members of the house and well known to the people of Canada generally that that right—the right to deduct for income tax purposes right from the first dollar up to the limits specified—is accorded to donations to churches and charitable organizations. All we are asking for in this motion is that the same privilege, the same right that is accorded to contributions that are made voluntarily, be accorded to those medical expenses which are met by taxpayers involuntarily or in other words because of necessity.

I am satisfied that there is wide support for this principle, for this request that medical expenses be put on the same basis as charitable donations, and that the 4 per cent floor be wiped out. In support of my contention that there is wide agreement with the request I am making, I remind the house that last year on March 26, 1952, this house passed unanimously a motion in my name which was similar to the one now before the house. I point out that the wording of last year's motion was slightly different from the wording of this year's motion and may I say immediately what the reason for the change is. The reason is that last year the then parliamentary assistant to the Minister of Finance, who is now the Minister of Fisheries (Mr. Sinclair), in my view misinterpreted my motion in that he thought it was asking for something more than just the removal of the 4 per cent floor. He thought that I was asking for a complete removal of the ceiling as well. I have reworded the motion this year to make it clear that it is not asking for the removal of the ceiling. I would like to see the definition of medical expenses broadened but this motion just asks for one change, namely the removal of the 4 per cent floor.

Last year, once it was made clear on the floor of the house that that was all that was intended in the terms of my motion, the then parliamentary assistant to the Minister of Finance said in the name of the Minister of Finance (Mr. Abbott) that the motion was acceptable. As a result of that indication of acceptance by the parliamentary assistant to the Minister of Finance, the motion received support in all sections of the house. Members on the opposition side were all in favour of it and a number of members on the government side, who on previous occasions were not so vocal, indicated their support last year by speaking to my motion. I refer particularly to the member for Rosedale (Mr. Henry), the member for Portneuf (Mr. Gauthier), the member for Charlevoix (Mr. Maltais), the member for Skeena (Mr. Applewhaite), as well as the then parliamentary assistant to the Minister of Finance. All of them spoke and either directly or by inference gave support to my motion calling as it did on that occasion for the removal of the 4 per cent floor. As a result of that support in every part of the house, the debate was a rather short one and it ended by the motion being carried unanimously by this House of Commons.

I made it clear during the course of the debate that I knew what that motion meant. It meant that we were asking the government to give consideration to the advisability of making that change. No one in this House of Commons thought it meant that we were giving the government the kind of direction which it absolutely had to carry out; but it is also true, and we have made this clear in the house, that whenever a private member's motion asks for consideration of something toward which the government is not favourably disposed, that motion is either withdrawn by a government member at the request of the government, defeated, or talked out. I can find in the time that I have been here no record of a private member's motion asking for consideration of monetary or budgetary matters being passed unless the government was actually favourably disposed toward the substance of the motion. I think it was quite proper for the press of this country, Liberal press as well as opposition press, to assume as it did from the passing of that motion on March 26, 1952, that one of the changes which could be anticipated in the budget that was brought down on April 8 would be the elimination of that 4 per cent floor. As everyone knows, when we got that budget on April 8 there was no change whatsoever in the floor. The minister, on the other hand, did make a change in one other aspect of the legislation, a change which did not concern many of us too much—a change in the ceiling; but he insisted that the floor had to stand. The minister did not like it because we moved a motion of no confidence later on with respect to the matter and because we berated the government both inside and outside the house for ignoring the wish of parliament in respect of this matter.

I want to tell the minister today that for him to stand, if he chooses to do so, and say that the government carried out the terms of that vote and did give consideration to the idea is not good enough; and in my view it is not playing fair either with parliament or with the people of this country. The fact is that he went against the wish of this house. As the minister knows, the year before last I had a similar motion before the house relating to income tax deductibility. It dealt with the deductibility of trade union dues for income tax purposes. It is strange how things work in this parliament, because on that occasion my motion was defeated by a vote in this house on February 26, 1951, and it looked as though we were faced with a much longer battle to get deductibility for trade union dues. But, lo and behold, on April 10 of that same session—April 10, 1952—when the Minister of Finance brought in his budget he made provision for deductibility for trade union dues despite the fact the government majority had voted it down on February 26, 1951. Last year the tables were turned. The house voted for the idea on March 26—the idea of deductibility of medical expenses right from the first dollar—yet the government rejected that wish when the minister brought down his budget on April 8.

Well, I do not know what is going to happen to my motion today but I certainly hope—and perhaps one can express such a hope with a little more confidence in view of the fact that everyone expects an election before long—that whatever happens to my motion today the government will act on this reasonable request, this request for fair treatment, this request which all Liberals in this house supported last year, this request which newspapers from one end of this country to the other agree is fair and should be supported. I hope action will be taken on it in this year's budget and that the 4 per cent floor will be wiped out so that taxpayers will be allowed to deduct their medical expenses right from the first dollar in the same way as applies in the case of donations to charity.

Mr. Speaker, on previous occasions, and this has been up quite often, as ministers and other members on the government side know, I have placed certain figures on the record and I think I should put a few examples on today. It is necessary to keep putting these examples on the record because income tax rates keep changing and the examples put on the record a year ago do not apply now. I would like to take a few examples to indicate what happens as between medical expenses on the one hand and charitable donations on the other. The examples I have worked out are on the basis of the income tax rates now in effect for the year 1953. In other words, based on the rates in the latest office consolidation of the Income Tax Act, which are the rates for a full year as given in the columns that the minister placed on *Hansard* on April 8 last year, I find that a married couple without children, having an income of $200 per month or $2,400 a year, are treated in this way. If they make contributions to charity in the amount of $200 per year, their income tax saving as a result of the deductibility that is granted to them will be $38 for the year 1953. I have taken into account both the general income tax and the old age security tax. The exact figures are these. Without any deductions, they would pay $68 general tax and $8 old age security tax, or a total of $76. But if they

give away $200 voluntarily, they will pay only $38 and thus get tax relief to the amount of $38.

If that same couple is faced with medical bills that amount to the same figure, $200, an amount they are required to spend whether or not they wish to do so, the tax saving they will get on the basis of this year's figures is only $19.76. The reason for the difference between the $38 of tax relief for the $200 given away voluntarily and only $19.76 tax relief for the $200 spent involuntarily on medical expenses is the 4 per cent floor.

Let me take another example. This time it is a married couple with two children where the total income is $300 per month or $3,600 per year. Their total tax at this year's rates, without any deductions, would be $253. If they gave away $300 in the course of a year, the tax saving which will be granted them under the law as it now stands is $63. But if that same couple with two children and that income has medical expenses of the same amount, $300 a year, their income tax relief will be only $32.76. How can anyone, Mr. Speaker, justify that discrimination? How can the minister justify the fact that he gives to people $63 of tax relief for giving away $300 but gives them only $32.76 of tax relief if they are faced with the necessity of spending that much on medical expenses?

I go on to the case of a couple with an income of $5,000 a year, again with two children. Their total tax, without any deduction, would be $568. If they give away $500 during the year, their tax relief for that generosity will be $120. But if the same couple, in the same circumstances, is faced with $500 of medical expenses, their tax relief is only $72.

In the name of simple justice, Mr. Speaker, in the name of simple elemental fairness, we are asking that these two things be put on the same basis. I am not complaining about the deductibility granted charitable expenses. I quite agree with it, and I support the idea. I support also the ceiling which the minister has imposed upon the amount of charitable donations for which one can claim tax relief. But how one can consider charitable donations in one way and medical expenses in another is beyond my powers to fathom, and I think is beyond the understanding of people in all walks of life in all parts of this country. I have done quite a bit of figuring in this connection because it strikes me that, in the words of the member for Spadina (Mr. Croll), who spoke about this matter on a former occasion, it is the little fellow who would really be helped by our proposal that the 4 per cent floor be wiped out.

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As a matter of fact, if you take the examples I have given, you will note that the percentage increase in relief that is afforded goes down as you get up into these upper brackets, which is as it should be. This would not be the case if there were no ceiling, but there is a ceiling and I have no quarrel with that.

Let us look now at the little fellow with an income of $2,400 a year who is married and has two children. How he gets by, none of us really knows. Supposing there is such a person and he has no deductions, his income tax for 1953 will be $17 general tax and $2 old age security tax, or a total of $19. If that man gives away $100 in the course of a year —how he could do it I do not know—he would have tax relief for the full amount of his $19. He would have no tax to pay, and the Minister of Finance (Mr. Abbott) would thus contribute $19 to him for his generosity in giving away $100. But if that man with $2,400 a year, with a wife and two children, is faced, as in most cases he probably is, with medical expenses of $100 a year, how much tax relief does he get? He gets 76 cents. Tax relief in the amount of $19 is afforded if he gives away $100, but only 76 cents of tax relief is afforded if he is faced with medical bills of the same amount.

Now, that illustrates the point that it is the little fellow who would really be helped by the proposal that we put before the house at this time. I could give other examples, as I have done on former occasions. Really, my only purpose in doing it again is to bring those simple examples up to date in the light of the tax rates that will apply for 1953.

However, I feel that I should perhaps deal with some of the arguments that have been put forth from the government side on former occasions in opposition to this measure. There have never been any arguments against it from the backbenchers on the government side. They support it, but on occasion the Minister of Finance and his former parliamentary assistant have opposed the substance of this measure. Indeed last year, although the parliamentary assistant seemed to favour it when he spoke on March 26, when he defended the government's failure to make the change in the budget he opposed this whole idea in substance.

One of the arguments put forward by those who oppose this matter in substance is that 4 per cent is an average amount that Canadians spend on medical expenses, and therefore there is no point to allowing that as a deduction. The first thing I want to say about the use of that phrase "average" is in the form of a story, and it happens to be a

story which I understand the minister himself once told to a gentleman whose loss we in this parliament and in this country feel very greatly. I refer to the severe loss we have sustained in the untimely passing of Dr. Clark, the former deputy minister of finance. His contribution to this country was an outstanding one. However, what came to my mind was a story I ran across some time ago. It is said that the Minister of Finance was one day having a little fun with his then deputy minister who was talking about averages. The story as I heard it is that the Minister of Finance asked Dr. Clark if he had heard about the fellow six feet tall who drowned in a lake the average depth of which was only five feet.

Mr. Abbott: The story was about the economist six feet tall who drowned in water that had an average depth of five feet.

Mr. Knowles: I thank the minister for confirming the authenticity of the story, and underlining the fact that it was an economist he was worried about. I suppose ministers of finance have to be regarded as economists or pseudo-economists, at any rate. I would suggest there might be some danger in the story boomeranging, and the minister himself being drowned because of his reliance on this argument about averages.

Mr. Abbott: He is a very good swimmer.

Mr. Knowles: It is not swimming that is required this year.

Mr. Brooks: It is skating.

Mr. Knowles: It is not swimming that is required this year by the Minister of Finance and his colleagues; it is skating on the government's very thin ice.

Mr. Abbott: He is a good skater, too.

Mr. Knowles: The minister says that he is a good skater, but even good skaters go through when the ice gets thin.

I want to say to the Minister of Finance, in line with the story that he himself told to the late Dr. Clark, that there is real point to the story; that it is no solution to people who are faced with heavy medical expenses to tell them that a portion of that is the average spent by Canadians. These people are still under financial strain because of these expenses. If there is to be any sense of fairness or justice in income tax legislation, I suggest that we should apply that fairness and that justice to these people.

The fact is that a great many people have no medical expenses at all during the course of a year. They are very fortunate. There are not many who go through life without medical expenses, and in the years in which medical expenses do catch up with them we think that they should get the fairest possible treatment from the income tax authorities. But just as we would do that for people in the years when medical expenses do catch up with them, so we are concerned this year with the people who this year will be faced with heavy medical expenses whether the minister calls them average or not.

In connection with this whole talk about averages, might I point out that no such rule applies to charitable donations. Why do you apply one rule to medical expenses—

Mr. Abbott: If we applied the average to charitable donations it would be only about one per cent of income.

Mr. Knowles: Well, whatever the figure is, I would like to see a substantiation of it. By the way, does that include all the tag days? If there is such a figure why does the minister apply the rule in one case and not apply it in the other? Similarly I might ask him, if he takes the view that income tax allowance is to obtain once you get over the average, why does he not apply it to the cost of living? I submit that $2,000, which is the total amount allowed a married couple today, is below the average cost of living. Therefore, if he is going to apply this rule of the average he must, without delay, raise the total exemption that is allowed both to single persons and to married people before they pay income tax. Therefore I strongly urge the minister to rethink his whole position about averages, to take to his own heart the story he told Dr. Clark, and not to press that phase of the argument any more.

Another argument put forward, of course, is that it would cost money; that it would deprive the treasury of a certain substantial sum of money. The figure put forward last year was in terms of $40 million odd. I am still not satisfied with the way in which that figure was computed. The then parliamentary assistant to the Minister of Finance went into it in some detail on the floor of the house. He was also good enough to let me have the rather large chart on which the calculating had been done to obtain that figure. Basically, however, what seemed to me to be wrong with it was the assumption that to wipe out this 4 per cent floor immediately removed for income tax purposes 4 per cent of the national income of the country. The flaw in that argument, as I see it, is that there are a great many people who have no medical expenses at all in the course of a year, and many people who do have medical expenses are so far below the income tax exemptions that they do not get into the income tax paying class anyway. Therefore

on that basis I am not satisfied that the $40 million figure that the parliamentary assistant gave us is a correct one. But even if it is, I suggest to the Minister of Finance that his government has cried "wolf, wolf" about the loss of revenue and the danger of a deficit in his budget a little too often.

The people of this country are not impressed by that argument any more. They have been hearing those cries for some time. We cannot afford this, we cannot afford that, but somehow or other we continue to afford some rather expensive items, very expensive in some instances, and still the minister comes out with huge surpluses. The people of this country also know that although the government argues that there cannot be reductions in taxation in the years in between elections, come an election year and some very substantial reductions seem to be possible. Well, I am counting on the fact that everyone expects this to be an election year and that it will result in a change of thinking on the part of the minister with respect to this matter to such an extent that he will not be concerned about the amount of money involved in wiping out this 4 per cent floor.

But I say again, even if wiping out the 4 per cent floor does cost $30 million or $40 million by way of loss of revenue to the treasury, even if it has to be made up in some other way, is it not supposed to be one of the cardinal principles of taxation policy that it should be on the basis of absolute fairness? If that is the case, I am sure the people of this country agree with me, indeed I am sure all hon. members agree with me, that it is not fair not to allow those first dollars of medical expenses as deductions for income tax purposes.

I named a few moments ago the members of this house on the government side who rose to their feet in the debate last year and supported my motion. Some of them and some others met me out in the hall afterwards and spoke to me in terms that I am not used to around this house. They thought that I had done a good service to bring in that motion; that it was a very good idea. There is no doubt in my mind that it always had support amongst all the members of this house, even though government supporters did not say so until they had been given the cue from the then parliamentary assistant to the Minister of Finance.

As I have already said, it received wide support throughout the country in the press of all shades of opinion and amongst Canadians generally. Why was there that support? Well, because there is a good deal of essential decency in the hearts of members of parliament and in the hearts of the Canadian people. That essential decency in these times says that when people are faced with medical expenses they deserve every possible consideration, they deserve fairness even from the income tax collectors. For my part and speaking for those of us in this group, we feel that even this is not enough. So far as medical expenses are concerned we feel, and we will come to it again later, there should be a complete program of national health insurance. This is only a drop in the bucket, only a step in the right direction, but it is a step in the direction of fairness, and I plead as strongly as I can with the house on this occasion not to backtrack, not to go back on what it did last year, but rather to pass this motion once again, and this time when this motion has been passed by this house I hope that the government will not say that negative consideration is sufficient, but rather that it will recognize that the house really believes in the principle of fairness with regard to deductibility of medical expenses, and that in this year's budget, which no doubt we will get just before an election, there will be a provision to wipe out that 4 per cent floor to permit people to deduct medical expenses right from the first dollar.

Before I resume my seat may I remind hon. members that I said in the early part of my remarks that the definition of medical expenses is really too narrow. You can deduct money that you pay to doctors, nurses and hospitals; you can deduct money that you pay for certain appliances; you can deduct money that you spend on certain specified drugs, but there are a great many things even in a strictly medical line which are not included.

It is also to be pointed out that when there is illness there are other expenses that face a family, and none of these of course is allowed. One of the ways in which the government could help to make up for the fact of the many expenses, extra help, extra food and all these things that come into the story of illness, is by at least removing this 4 per cent floor. May I remind the minister also that the provision he made two years ago to include insulin has, for many taxpayers, been inoperative because, while they may spend a good deal during the course of a year, if they do not get their expenditures over the 4 per cent level they receive no advantage at all. To describe as average the expense a person faces, when he has some illness which necessitates taking expensive drugs during the whole of his lifetime, is I suggest to be callous and indifferent to a very human situation.

So on all counts I suggest that never was a more reasonable request made to the House of Commons than that contained in

this motion. And, just as the house passed it last year, I hope it will pass it this year, and that the government will act upon the wishes of the house and make this change in this year's budget.

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, as my hon. friend from Winnipeg North Centre (Mr. Knowles) has pointed out, this motion is in substantially the same terms as the motion he presented to the house last year and which, as he has indicated, was passed by the house, and without any objection on my part.

I was not able to be present at the debate, but my then parliamentary assistant did discuss the matter and did indicate that the government had no objection to the passing of the motion.

Mr. Macdonnell (Greenwood): Would you have made objection if you had been present?

Mr. Abbott: No, I would not, because I gave my parliamentary assistant instructions that I did not oppose the motion, and my reason for not opposing it was based upon the terms of the motion itself.

The motion offered at that time was in most respects exactly the same as that now before the house, namely:

> 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 the four per cent limitation from the section which makes provision for the deductibility of medical expenses for income tax purposes.

Now, in the light of subsequent events, I think I was wrong in taking the course I did take, in indicating to my parliamentary assistant that there should be no objection to the passing of the motion. I did it because I felt that it would be wrong and illogical for a minister of finance, at the time budget matters were under consideration, to refuse to give consideration to any proposal.

Every day I am receiving proposals from taxpayers as to how tax laws should be amended; and on that occasion I felt that, in the terms of the resolution as framed, it should be allowed to pass. I must confess that, in my innocence, I did not realize that it would be represented to the country as being the unanimous opinion of the House of Commons that this should be done.

We know how these resolutions are passed. I was not in the house that day, and I do not know what the attendance was, but I assume it was perhaps average—or perhaps even less than average, because it was a private members' day. In any case it was passed without objection from the government. But because in its terms it is, I think, clearly a resolution which relates to the imposition of a tax, then, as we know, under our constitution proposals of that kind can be introduced only by a member of the government on recommendation of His Excellency.

Now, my hon. friend has said that this was not put before parliament as a direction to the minister. Well, I certainly think he is right in that; but he and his supporters have done their best to persuade the people of Canada that it was a direction.

It is all right to pass resolutions couched in these terms, relating to budget matters, if it is understood that they do indicate what they say, in the terms indicated, namely that the government should give consideration to certain matters. But the ultimate responsibility as to the fairness and the desirability of making these budget changes must rest with the government.

My hon. friend has, and quite accurately I think, outlined the history of this exemption, and the basis upon which it is granted. It was introduced by my predecessor, Mr. Ilsley, and the government of which he formed a part; and, as I have very good reason to know, he felt very strongly that provisions of this kind should contain a floor. There is a provision in the United States of, I believe, 5 per cent, and the ceiling there is somewhat different. I am told there is no deduction allowed in New Zealand or in the United Kingdom—but of course now in the United Kingdom, under the new health services, I would suppose that most medical expenses are paid out of the health fund.

I should like to take a few moments to indicate the philosophy behind the provision for a floor. In common with a good many other people in this country, and in the house, I have spent money during the last twenty-five years in raising a family. Unfortunately they are getting pretty close to a grown-up stage; but in the course of those years I have had to spend varying amounts in each year for dental care, for check-ups, for childhood diseases and so on. We have been extremely fortunate because none of our children has had serious illnesses, nor have my wife and I.

During those years however we have in each year paid out money in varying amounts. Perhaps sometimes it would be a few hundred dollars, and sometimes somewhat less than that—for these periodical check-ups, general child care and the like.

I see no reason in the world why I, or anybody else, should be in a position to deduct those normal expenses—and I prefer to use the word "normal" rather than "average". I see no reason why I should be permitted to

deduct those normal expenses from my income before calculating my income tax, any more than I should be entitled to deduct expenditures for clothing necessary to keep the children warm, or food necessary to keep them alive.

I think it is unsound, in principle, that normal living expenses of the individual should be paid out of income before tax.

That is the basis upon which the floor has been established. It may be, as I say, that the floor is too high. Perhaps it should be less than 4 per cent. It started out at 5 per cent, and it has been lowered to 4 per cent. I am quite prepared to look at that question again. I am quite prepared to look at the question of whether there should be a floor at all.

However, I have endeavoured to indicate why I believe it is essentially fair that there should be some floor. Because one of the jobs that any minister of finance has to do is to try to spread the tax burden, which amounts now to something like four billions. He must try to spread the tax burden as fairly and equitably as possible among all taxpayers. If one taxpayer gets a concession or a deduction, then some other taxpayer must provide those moneys.

My hon. friend does not quarrel with the ceiling; he has never quarrelled with that. There may be a question as to whether the ceiling should be raised. I have a perfectly open mind as to that, and it is a matter of opinion. But quite obviously, both in my view and in his, there should be a ceiling. Otherwise the benefits of a deduction of this kind would be quite disproportionate as between those in the lower and others in the higher income tax brackets.

The question as to the definition and the eligibility of various expenses which would qualify for deductions is constantly under review. From time to time we have made additions in respect of the classifications of drugs and other expenses which can be claimed as deductions.

Those, then, are the principles upon which these deductions can be claimed. As I say, I have always felt that to be fair as between the different taxpayers in the country there should be some minimum below which a claim cannot be made for deduction of these expenses.

Then there is an added reason—and perhaps this is not an entirely compelling one: I refer to that of administration. I am informed that it would be extremely difficult—virtually impossible—to check claims for medical deductions if every claim, no matter how small, were eligible as a tax deduction. The case may not be completely analogous but I think there is considerable parallel between the type of insurance which some of us take out having a $20 or $40 deductible provision. We decide that we will insure ourselves for minor losses in connection with our car or other insurable property and thereby get a much cheaper rate for the greater expenses.

The philosophy behind this actually is that it is quite within the capacity of the ordinary individual to pay the normal expenses incurred for medical care or attention, but when those exceed what can be considered as a normal amount then, and then only, should there be special relief. That is the principle which lies behind the law as it stands now.

I am not going to take a great deal more time discussing the principles underlying this law. The cost of granting blanket exemption of 4 per cent, as suggested by the hon. gentleman, would be quite heavy. I am told that if everyone claimed the 4 per cent deduction, that is to say, 4 per cent on income as indicated under the act, the cost would be something over $100 million. The estimate of some $40 million which was given last year would mean that a lot of people would not claim at all for medical expenses or would be substantially below the 4 per cent. In any case the cost undoubtedly would be substantial. It certainly can be argued that more equitable and widespread tax relief can be afforded in other ways.

At this time of the year budget matters are under consideration. I doubt if many new points could be brought up in connection with this matter.

Mr. Rowe: I do not want to interrupt the minister, but just for clarification of his remark does he mean that the $100 million would be the cost if everybody deducted 4 per cent, or only those getting hospitalization?

Mr. Abbott: I am told that if the 4 per cent were applied universally on the incomes eligible for tax, in other words if the floor were removed and everybody was able to claim the 4 per cent, it would mean a loss of about $100 million.

Mr. Rowe: Families as healthy as yours would not claim it.

Mr. Abbott: That is quite true. I hope the majority of families are in that condition and I hope the majority of families are honest. But there are some who might be tempted to claim when perhaps they were not clearly entitled to do so and, as I say, it would be extremely difficult to check all the returns. I think the department would just have to take it on trust. One of the tests of

a good law is that it should be fairly and fearlessly administered and that is one of the objections to a blanket exemption of this kind.

As I say, this is the time of year when we are giving consideration to budget matters. I intend again to give this question of deductions for medical expenses the most serious consideration, as I did last year. I said a moment ago that I doubted if anything new could be said on the subject. The hon. gentleman who resumed his seat a moment ago gave a most complete review of the arguments in favour of the proposal which he is putting forward. Other members on the government side have spoken on it; last year my parliamentary assistant spoke on it and I have spoken somewhat more briefly this afternoon.

Owing to assiduous and unremitting labours during the Christmas recess the treasury board was able to complete consideration of the estimates last Friday afternoon and I am now in position to have a fair idea of what our expenditures are likely to be next year. From here on, along with my officials and colleagues, I shall be giving constant attention to the budgetary proposals which I hope to bring before the house as early as possible. In that consideration I shall again carry out the wish expressed by the house in the resolution last year and which is again voiced in the resolution we are now discussing, that the government should give consideration to the advisability of removing—I am shortening it up—this floor.

Unfortunately I am unable to be here this evening. With the assurance which I have just given, that the matter will be considered again this year, I think perhaps it might be appropriate if I were to move the adjournment of the debate.

Mr. Knowles: No. Let someone else speak to the matter.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I wonder if the minister really wants to apply closure in this manner. It does not seem to be in accord with his usual practice. I wish to make a few remarks and I think some of my colleagues will want to say something. I wonder if the minister has strong reasons for applying closure in this fashion.

Mr. Abbott: I suppose this is highly irregular as my motion is not debatable.

[Mr. Abbott.]

The house divided on the motion (Mr. Abbott) which was agreed to on the following division:

YEAS

Messrs:

Abbott
Anderson
Applewhaite
Balcom
Bater
Beaudoin
Benidickson
Bennett
Bertrand
Blanchette
Blue
Boisvert
Boivin
Bonnier
Boucher
Bourget
Bourque
Bradette
Bradley
Brown (Essex West)
Cameron
Campney
Cannon
Cardin
Cavers
Chevrier
Claxton
Cleaver
Cloutier
Cote (Matapedia-Matane)
Cote (Verdun-La Salle)
Croll
Darroch
Dechene
Decore
Deslieres
Dewar
Dickey
Dumas
Dupuis
Eyre
Ferrie
Fournier (Hull)
Fulford
Garson
Gauthier (Lake St. John)
Gauthier (Lapointe)
Gauthier (Portneuf)
George
Gingras
Gour (Russell)
Harris
Harrison
Healy
Hellyer
Helme
Hetland
Huffman
James
Jutras
Lafontaine
Langlois (Gaspe)
Leduc
Lesage
Macdonald (Edmonton East)
MacKenzie
MacLean (Cape Breton North and Victoria)
MacNaught
McCann
McCubbin
McCulloch
McCusker
McDonald (Parry Sound-Muskoka)
McIlraith
McIvor
McLean (Huron-Perth)
McMillan
McWilliam
Major
Maltais
Martin
Masse
Monette
Murray (Cariboo)
Murray (Oxford)
Mutch
Nixon
Parent
Pearson
Pouliot
Richard (Ottawa East)
Robertson
Robinson
Rooney
Ross (Hamilton East)
Rousseau
St. Laurent
Schneider
Simmons
Sinnott
Smith (Moose Mountain)
Stick
Studer
Tremblay
Valois
Warren
Weir
Whiteside
Winkler—109.

NAYS

Messrs:

Adamson
Argue
Aylesworth
Blackmore
Blair
Brooks
Browne (St. John's West)
Bryce
Casselman
Catherwood
Charlton
Churchill
Diefenbaker
Drew
Fair
Fairclough, Mrs.
Fraser
Gibson
Gillis
Graydon
Harkness
Hees
Herridge
Jones

Knight	Noseworthy
Knowles	Robichaud
Lennard	Ross (Souris)
Low	Rowe
Macdonnell (Greenwood)	Shaw
McGregor	Spence
McLure	Thomas
Montgomery	White (Middlesex East)
Nickle	Wright—42.

CONSERVATION

PROPOSED CONFERENCE TO CONSIDER NATIONAL POLICY

Mr. H. W. Herridge (Kootenay West) moved:

That, in the opinion of this house, the government should consider the advisability of calling a dominion-provincial conference on conservation with a view to the establishment of a national policy on soil, forest and water conservation and land use for Canada.

He said: Mr. Speaker, I trust that when I have concluded my remarks in support of this resolution, which I consider to be of equal importance to the one just under discussion, no member of cabinet will rise and use the government's majority to forestall further debate. On the previous resolution apparently a number of members wished to express their opinions but they were prevented from doing so by the action of the Minister of Finance (Mr. Abbott) in moving adjournment of the debate. Before going further I wish to say that personally I think it is an unfortunate circumstance, preventing the opposition from expressing their opinions in this parliament. It is a poor advertisement for parliament under the conditions that exist in this country at the present time.

I introduced this resolution at the last session, Mr. Speaker, and I spoke at some length on it. I know that quite a number of members were interested in speaking in support of this resolution. They represented all parties in this house but unfortunately, owing to the rules of the house, they were prevented from doing so. It is not my intention to speak at great length, Mr. Speaker, and I do not intend to repeat any of my previous arguments, but I do wish to deal with the matter from the point of view of the general demand for a policy on national conservation in this country and to indicate to the house the places where that demand comes from and the support for our proposal.

This is a subject in which I am particularly interested, Mr. Speaker, because not only have I been interested in conservation during the whole of my working life but I have practised conservation during the whole of my working period on my property in British Columbia. When speaking in support of this resolution last session, on March 26, 1952, I gave an historical review of the exploitation of natural resources throughout the centuries, and of the movement towards conservation in the United States and in Canada since the early days of this century, and stressed the need for establishment of a national policy on soil, forest and water conservation and land use in Canada based on co-operation between the federal and provincial governments and the people of Canada. I suggested an outline of action that should be taken under such a national policy, including: 1. The establishment of sound standards of management and utilization of natural resources as a result of scientific advice and investigation; 2. The establishment and financing of research work, and the co-ordination of these activities with the work of public organizations and individuals; 3. The development of a co-ordinated educational program aimed at the development of interest and co-operation of all Canadians from early school days on; 4. A program of co-ordinated publicity that would utilize the facilities of the press, the national film board and public organizations; 5. The establishment of a uniform law enforcement program in connection with the conservation of wildlife and other resources; 6. The co-ordination of the activities of all governments, at all levels, with public organizations.

Now, Mr. Speaker, when speaking in this debate last session, at page 834 of *Hansard*, the Minister of Resources and Development (Mr. Winters) had this to say:

This is perhaps one of the most important subjects that this house could deal with.

We agree with him in that statement and we believe that he thinks it is of great importance—and we are glad to know that he recognizes the importance of this subject. However, I was somewhat disappointed, Mr. Speaker, to read in the *Gazette* of April 24, 1952, the following statement which is entitled "Resources effort 'great'—Winters":

Minister Says Policy Aimed at Development and Prudent Direction

Sault Ste. Marie, Ont., April 23—Resources Minister Winters said tonight "very great strides" now are being taken to develop Canada's natural resources, "and to manage them with prudence".

He told the Chamber of Commerce here in a speech prepared for delivery that "there is no lack of a general policy for conservation and resources development", and that there is frequent and cordial co-operation between the federal and provincial governments, and with industry in this field.

Mr. Winters said the best sign that there is adequate co-operation "is that the development of Canada's resources is going on apace—"

I was somewhat disappointed to read that statement in the press. First of all, I think the minister's "frequent co-operation between federal and provincial governments"

should be "continuous co-operation". I do not think it is an argument in support of a satisfactory policy just to say that it is evidenced by the fact that development of our natural resources is going on apace. That is no assurance that the development of those natural resources is being carried out along sound lines and in accordance with strict conservation principles.

As opposed to the minister's opinion, Mr. Speaker, I want to quote the opinion of an outstanding scientist who has given a lifetime of study to the problem of conservation of natural resources in Canada. I am going to quote from a book entitled "Conservation in Canada" by O. M. McConkey, at page 12. In that connection I want to say that Mr. McConkey is professor of field husbandry at the Ontario Agricultural College and he is recognized across Canada as a great authority on this subject. I might say in this connection in passing that O.A.C. is my old college, and without a doubt it has made a great contribution during the years to agriculture in Canada, and even throughout the world. Personally, I would recommend to anyone interested in this subject the purchase of this book which, I believe, was published first early last year, and to study what Professor McConkey has to say. In any event, as opposed to the minister's opinion in this respect, Professor McConkey has this to say:

> When we consider that as Canadian citizens we are guardians of our heritage of natural resources for future generations, we should establish permanent departments of conservation at federal and provincial government levels to co-ordinate and execute long-term plans of conservation of the nation's natural resources now.
>
> Canada has a great opportunity to carry out a national plan of conservation. Canada is a new country. We can take warning from the mistakes of old civilizations where the resources of soil, water and forests have been destroyed. We can heed the lessons to be learned from sound forest and soil management in those nations that have survived over the centuries. We have all the advantages of modern science and the known techniques of conservation. At present we are exploiting our forests, soils, minerals, and oil at an alarming rate. The speed of exploitation will increase with the modern world's insatiable demands for raw materials for industry and war.

Now, this is his concluding sentence in dealing with that subject:

> Do not let us be deluded by temporary prosperity. We should establish a long-term rational plan of conservation and administration of the natural resources of Canada now, before it is too late. We must not fail.

Once again, Mr. Speaker, I want to contrast the opinion of that outstanding scientist, who has written a remarkable book and who has spent years of his life in studying this question as it applies to the Canadian situation, with the remarks of the minister when addressing the chamber of commerce in Sault Ste. Marie.

I should like to give a few indications, Mr. Speaker, of the growing demand for, and support for, a national policy of conservation in Canada. I am going to give a few illustrations from the press. The first one I want to give is a portion of an editorial written by the editor of the *Country Guide* in the November issue, 1952. The editor of this paper, Mr. Harold S. Fry, a very noted agriculturist in Canada with wide experience in agricultural matters, and with a wide knowledge of Canadian conditions as well as public opinion in the country in which this paper circulates, had this to say—the editorial is entitled "Sensible Conservation Policy":

> There is evidence that the provinces, who control our natural resources, are beginning to recognize, at long last, the need for a national conservation policy. Under the circumstances, the role of the federal government must necessarily be that of a co-ordinating agency, able to supplement the efforts of the individual provinces, where necessary, from the national treasury. The relationship calls for sound planning, good will and tact. The overriding interests of the nation, and the immediate interests of the provinces, must be harmonized to the advantage of future generations of Canadians, if we are to use these resources wisely.
>
> Since world war I we have heard a great deal about the conservation of natural resources. Special departments of government have been set up to guard and develop them. Indeed, more than 40 years ago, Canada established the commission on conservation, which, after 12 years of successful and lasting work, was dismembered to serve political purposes and its pieces distributed among several government departments. During the last quarter century, nearly all progressive countries have become increasingly concerned about the rapid rate at which the growth of population and of industry tends to use up resources. The United States, which produces close to half of the world's industrial output, is seriously concerned already about the rapid disappearance of its vast heritage of coal, oil, soil and underground water. European nations have recognized for many years the folly of wasting the resources which nature has provided. Canada's undeveloped resources are perhaps greater than those of any other industrial nation, in proportion to our population, but we owe this fortunate circumstance more to our delayed development than to our foresight.

There is another powerful and influential voice, Mr. Speaker, speaking in support of the need for a national conservation policy.

Now, that was an illustration from a paper circulated in the west. I want to read briefly from an editorial appearing in a paper circulated in Ontario. It is the Toronto *Globe and Mail* of April 21, 1952. This is what the editor has to say in an article on conservation entitled "We can control floods".

> What this country needs is a national conservation board to organize and integrate the program made essential by floods, soil erosion, forest depletion and many other factors. Canada is the only

important nation in the civilized world with a government which gives no support to a sustained and general conservation program. It is spending a great deal on other things, which is money down the drain so far as permanent value is concerned. Those who are suffering from floods in western Canada have a substantial grievance against this government, which characteristically finds it convenient to do nothing about such matters until an election is about to take place. Floods do not await occasions.

There is another voice speaking in support of the necessity for a national policy of conservation.

Then, I wish to quote briefly from the *Rural Co-operator* of November 25, 1952. One paragraph in this editorial has this to say:

> We must have a long-term conservation program and it must be introduced at once, before deterioration of our soils takes place. We would ask the provincial and federal governments to join in this program, a feature of which might be the establishment of numerous small dams on tributaries of our main watersheds and the development of farm ponds.
>
> We believe the government of Ontario and our farm organizations must take action now to forestall a decline in the morale of our farm people and a repetition of the soil deteriorating practices of the thirties.

There is another voice, closely in touch with the farmers of Ontario, speaking in support of this policy.

I was interested, when reading the monthly letter of the Royal Bank of Canada of September, 1952, to read a most interesting article on the necessity for practising conservation in this country. I found it particularly well written, and written with a knowledge of the circumstances as they are today in this country. I want to quote one paragraph as evidence of support, and of the great awareness, of the need for this policy in Canada. It does not necessarily mean the spending of large sums of money by the federal government. It means effective leadership in order to coordinate the policies of the federal and provincial governments, and to create in the public mind a national conscience which will assure the preservation and conservation of our natural resources.

In this monthly letter I find this:

> The activities of government at all levels should promote and assist the conservation practices which are to be undertaken by individuals, and government must accept the responsibility for necessary enterprises which are beyond the capacity of individuals. Government must, too, bring in regulatory measures, which are the rules of the game, just as necessary in conservation as they are in transportation, communication and other enterprises that affect the public welfare.

I might say, Mr. Speaker, that we in the C.C.F. heartily support this proposal, but strangely enough when the C.C.F. proposes planning or regulatory measures some people refer to them as dictator's proposals. I believe that all sensible and intelligent people realize today that, in our complex civilization and in this complex economic development, there is no question but that if we are going to progress there has to be increased planning by government and increased exercise of regulatory power in these matters.

Furthermore, we have one organization in Canada which has paid a great deal of attention to this subject. I refer to the Agricultural Institute of Canada. For some years it has had a committee studying this problem. That committee was composed of some of the outstanding men in Canada in connection with agriculture, water resources, forest resources and other matters concerning our natural resources. They have done the people of Canada and the governments of Canada a great service in devoting their time and attention so closely throughout the years to this very important question. I want to deal for a moment with a brief the organization has presented to the government in connection with this problem. I shall have more to say about that when the bill proposed by the minister concerning water resources comes before the house. I just want to quote two paragraphs of the resolution, and then briefly from the policy that the Agricultural Institute of Canada recommends:

> Whereas the Agricultural Institute of Canada developed, in 1948, a national soil and water conservation policy with the full approval of its members in all nine provinces, and presented this policy to the federal and all provincial governments at that time,
>
> And whereas that policy strongly urged that all federal and provincial soil and water conservation policies should give recognition to the importance of placing the administrative responsibility in departments of agriculture,
>
> And whereas the experience of the past fifteen years has proved that soil and water conservation are interdependent,
>
> And whereas in 1935 the federal government, facing the serious national problems of soil erosion by wind, and the necessity of the development of water resources to minimize the problems of drought, passed the Prairie Farm Rehabilitation Act and later the Maritime Marshland Reclamation Act, resulting in incalculable benefits to the areas concerned; and decided that the administration of this conservation activity should be the responsibility of departments of agriculture,
>
> Be it resolved that the Agricultural Institute of Canada commends the government for its intention to provide legislation to deal with the very important problem of the conservation of Canada's resources; that a strong brief on soil and water conservation be submitted to the Prime Minister and the members of the cabinet.

And this brief was presented, Mr. Speaker. I am also pleased to see that there is one more step toward the development of a national policy on conservation in the legislation the government intends to bring before the house, but we in this group believe that this is too piecemeal an approach; that the

conservation of all these natural resources should be co-ordinated and should be directed as the result of the development of a national policy by this government.

I want to deal briefly with the recommendations mentioned in this brief. The basic arguments of the submission made by the Agricultural Institute of Canada are these:

(1) That efficient land use, which is dependent on soil and water conservation, is becoming of more urgent importance as the populations of Canada and of the world increase.

(2) That there is need for a clearer and more comprehensive national policy of soil and water conservation than has been operated in Canada to date.

Naturally when you talk about a national policy on soil and water conservation you include forest conservation, because forest conservation is related to both. I continue with the recommendations:

(3) That conservation and agriculture offers a highly complex problem, involving the services of trained personnel in many fields of agricultural art and science.

(4) That for all existing, or potential, agricultural land, soil and water conservation are inseparable.

(5) That the farmer must be considered the most important factor in the ultimate effectiveness of any soil and water conservation policy.

(6) That the farmer can be helped most by those who know his problems the best.

(7) That all experience shows the desirability of centring all administrative, planning and development responsibility in the field of soil and water conservation in departments of agriculture.

While dealing with this aspect of a national conservation policy, the brief deals particularly with soil and water conservation. I would like to deal briefly with the question of river bank erosion and river pollution. I did not have time to mention this at the last session, but I shall refer to it now because I think it is further evidence of the necessity for a national policy to cover all these fields. There is a great problem so far as river bank erosion is concerned in many places in Canada. It is a great problem on the Columbia river, which flows through the centre of my constituency. I understand that it is a great problem around lake Ontario and in other places in Ontario and other places. We have constant damage to river banks, in some instances to villages, towns and cities, and to valuable property, which goes on unceasingly but which fails to receive adequate attention. The menace, the threat, continues to be there because there is no national policy with respect to the problem of river bank erosion and also the pollution of rivers.

In my own constituency, Mr. Speaker, and in many parts of British Columbia, we had very heavy floods in 1948. The waters of the Columbia overflowed into the city of Trail and caused thousands of dollars worth of damage; in fact the lower parts of the city could have been completely inundated had not the citizens of the district and the officials of the Consolidated Mining and Smelting Company and all concerned worked very hard over a period of a week, using all the modern equipment that fortunately was available, to build a large dike to keep the river back. But the threat is still there. Any time the Columbia river rises above its banks there is a threat to the city of Trail, there is a threat to other communities along the Columbia river and a threat to farming land and so on. Nothing is done to remedy this because all governments continue to pass the buck, because we continue to operate under legislation that was drafted years ago, and because we fail to have a national policy so far as conservation is concerned.

I am told—I do not know whether I will get it quite correctly—that the constitutional position is something like this. I notice that the Minister of Public Works (Mr. Fournier) is listening. I went into this matter very carefully; in fact I read many letters that had been written about erosion on the Columbia river by the federal government or the provincial government or any organization or any individual since British Columbia entered confederation, and I can say that it has been a continuing threat and a continuing problem on the Columbia river and in the various communities since that time; and it continues to be a serious problem.

I understand that from the constitutional point of view navigable rivers are the property of the federal government. I see the Prime Minister (Mr. St. Laurent) shakes his head. If I am wrong in that respect I should like to be corrected.

An hon. Member: Responsibility.

Mr. Herridge: Responsibility of the federal government.

Mr. St. Laurent: Responsible for navigation.

Mr. Herridge: So far as the use of the river for power purposes is concerned, I understand that is the responsibility of the provincial government. I understand that it is the kinetic energy of falling water that produces the power. Therefore, if the banks of the Columbia river overflow and damage the property of the city of Trail, since the city of Trail is the creature of the provincial government, it is actually the property of the provincial government damaging the property of the provincial government, and therefore the federal government has no jurisdiction. I understand that it goes something like that.

I am not a lawyer, and I may have got the matter slightly out of focus, but I do say that, Mr. Speaker.

For instance, the municipality appealed to the minister for assistance in building a river wall. There had been a river wall built in previous days, and I found that was done under some act during the depression that was for the general advantage of Canada; and they wanted it extended. I think the minister quite correctly said that it was not the government's place to deal directly with the municipalities; that it would be up to the provincial government to make representations. Therefore the city of Trail made representation to the provincial government. I understand that so far the provincial government has not made any representations to the federal government.

The point I wish to make is this. In my own constituency here is a continuing threat, which is a problem, and which has existed since British Columbia entered confederation. Because of the constitutional position, and because of our lack of a national policy on soil, water and forest conservation, governments continue to pass the buck, property continues to be destroyed, and nothing permanent is done about it.

I do think that is one problem that the federal and provincial governments should handle. It has to be met. Whatever is done has to be paid for by the taxpayers of Canada. In my opinion we need a policy that would cover a situation of this kind, which exists in many places in Canada.

The same thing occurs with respect to the pollution of our navigable waters. There is no policy concerning the prevention of the pollution of those waters. Expansion of industry means increased pollution of many of our great rivers. This situation indicates the need for a national policy to protect our waters.

I shall not say more on that at this time, because I am sure there are other members in the house who will have something to say on the resolution. Before passing on, however, I must pay tribute to the Department of Agriculture for the good work that has been done by that department throughout the years under the Prairie Farm Rehabilitation Act. The only thing required to make that act fully effective is its extension to all provinces in Canada, so as to bring the administration of the act within the terms of a national policy.

What we require more than money at the present time is leadership and co-ordination which will bring about the building up of a national consciousness in support of that policy. I wish to pay tribute to the science service of the Department of Agriculture. This service undertakes investigations in respect of various pests, insects and forest diseases. I know that in my district the science service has conducted some very interesting and worth-while studies. The work they do for the forest industry of British Columbia is highly appreciated by that industry.

All I suggest in the resolution is that all these good works should be placed together in a national policy so as to co-ordinate the activities of all these people so they may work in one direction with one general purpose and objective.

In addition to the organizations, persons, editors and other organizations I have mentioned, I would point out that the Canadian Federation of Agriculture supports a national policy of conservation. The Canadian Congress of Labour on various occasions has expressed strong support of a conservation policy in this country. The Trades and Labour Congress of Canada, the Canadian Forestry Association, many other organizations and thousands of people who are interested in this subject are urging the government to establish a national conservation policy. I cannot take time to mention many individuals, but I do wish to refer to two or three. I would refer first to a gentleman in Montreal, Mr. J. L. Van Camp of the Canadian Forestry Association, who has done a great deal of excellent research work and writing in connection with the conservation of our forests and water resources. I would draw attention particularly to a pamphlet he put out recently under the heading "Water is a Forest Product". This is an excellent pamphlet, and I should like to see it distributed generally throughout the schools of this country. Men like Mr. Van Camp are working behind the scenes and making a study of the problem so as to provide information which would serve as a basis for the establishment of a national policy on conservation.

Then in this connection I would mention Mr. A. Koroleff, who has done much research work in connection with water and forest conservation. I would advise anyone interested in the forest industry to secure a copy of his book entitled "Stability as a Factor in Efficient Forestry Management", published by the Pulp and Paper Research Institute of Canada. It is one of the best books on the subject to be found in recent years anywhere on the North American continent.

Then again I must pay tribute to Professor McConkey of the Ontario Agricultural College at Guelph for his book "Conservation in

Canada". I would recommend it to all members on all sides of the house. It represents years of thought and investigation.

Before concluding I should like to quote once again from Professor McConkey's book, where he says:

> The Canadian people have been blessed with a great and beautiful country, fairly rich in natural resources. It is ours to use wisely, and to hand on to future generations without waste.
>
> We need a change of mental attitude from the prevalent materialistic thought of getting rich quick through the exploitation of our natural resources to that of conserving and improving our resources—a love of our land. Learning about conservation is not enough. What is desired is the development of a conservation consciousness, which results in changed behaviour. The ideals, knowledge and skills of the school children of our country will have much to do with what happens to our land and its resources now and in the future. Conservation is a primary obligation of Canadian citizenship.

I should like to see the government give a lead in this direction. He continues:

> Education in conservation is an urgent need of our Canadian people at all levels, through primary and secondary schools, colleges, universities and adult education.

What I am saying this afternoon represents the viewpoint of the C.C.F. It represents the viewpoint the C.C.F. has presented continuously throughout the years. In its program, in its literature, on the public platform and in the House of Commons the C.C.F. has proposed consistently that a partnership of federal and provincial governments should take over the development and conservation of our resources in the name of the people. Then profit would be no longer the main incentive; proper care and economic development could ensure a higher standard of life for the Canadian people in perpetuity.

As I have said, conservation is the practice of keeping the economic activities of the nation, the activities of man, in harmony with mother earth and with nature. There is one thought I wish to express before taking my seat, and that is that interest in the conservation of natural resources produces cultural and spiritual values; perhaps I should say intangible values. They are immeasurable, and cannot be counted. History proves that those who love the soil make good citizens. We do not find any amount of violent crime in the country, in the rural parts of Canada. We do not find much delinquency in the rural areas. Those conditions are found in much greater degree in our cities. So far as the record is concerned, we find that wherever people are interested in their natural resources, are interested in the soil and are interested in nature, they can be accepted as those who are responsible citizens and with the greatest degree of stability.

For years the C.C.F. has preached the doctrine of the conservation of human and natural resources. Once again the soundness of our policy is being demonstrated by the increasing demand for the planned development of natural resources across Canada. There has been a wider and wider support of the ideas put forth and expressed throughout the years by members of this group.

Great progress in the conservation and planned development of natural resources has resulted from a national policy based upon the co-operation of federal and state governments in the United States. Prior to the development of a national policy in that country, little progress was made in that respect. I think a careful reading of the records of that country will indicate that its development has come about through the co-operation of federal and state governments, as well as that of organizations and individuals in that country. When that took place they began to make some real progress in preventing the further deterioration of their vast natural resources.

We in this group believe that Canada needs action now on this great question. That action can come only as the result of effective leadership by the federal government, based upon a national policy such as we suggest. More and more Canadians subscribe to the creed of a Nigerian chieftain who said:

> I conceive that the land belongs to a vast family, of which many are dead, few are living, and countless numbers are still unborn.

We in this group urge the government to give the Canadian people an opportunity to practise this philosophy by means of a national policy on soil, forests and water conservation and land use for Canada.

Mr. Rodney Adamson (York West): Mr. Speaker, I support this resolution and practically everything said by the hon. gentleman who has just finished speaking. I would have been much happier if I had been adequately prepared to discuss this subject at the present time. There is probably no other subject facing us in Canada on which there is such a wealth of material, such a wealth of expert opinion and so much work done in connection therewith. The tragedy of the situation is that while work is being done, very little action is being taken.

The whole question of land use, water supply, and land and water tables is one upon which our whole economy rests. If by our carelessness, either in cropping or farming or in the use of our forests, we destroy the perpetual life-giving qualities of our soil, we destroy ourselves as a country. Many countries have done this in the past. Today there

are large tracts of the ancient world which are nothing but desert but which in the times of Babylon, Greece and Rome were flourishing agricultural communities.

We have a far more recent and dangerous situation in our own North American continent when we see that every year—these are figures I do happen to remember—176,000 acre feet are carried down the Mississippi. That is the top soil, the very life, the very heart of this continent. While I have not the figures for our own rivers in Canada, particularly those flowing across the great prairie provinces, having seen the floods in Winnipeg and Saskatchewan I am satisfied that the same condition obtains here.

Lest somebody say, "You, an easterner, a man who is interested in farming, are talking about agriculture, a thing you know nothing about", I should like to quote as an authority a report with regard to the destruction of the soil, by one Leonard D. Nesbitt and published by the Alberta wheat pool. It is entitled "Save our Soil". In the introduction he quotes W. E. Bowser, of the Dominion experimental farms, and A. G. McCalla, of the University of Alberta, as follows:

> Permanency can be assured only if the soil is kept in good physical condition and the fertility is not allowed to become depleted. A soil depleted of its fibre, with a consequent loss of good granular structure will generally drift easily since fibre, even when well decomposed, tends to join the soil particles together. Soils rich in fibre are also generally much more resistant to water and wind erosion. Unless a farmer can afford to keep from one-quarter to one-third of his land seeded down to grass (or if possible a grass and legume mixture) his farm is not likely to produce satisfactorily over a long period of years.

He then goes on to discuss what he calls the creeping desert and he quotes Mr. W. S. Chepil of the dominion experimental station at Swift Current. With the permission of the house I should like to quote the words of this expert in connection with the condition which exists in that part of Canada. Mr. Chepil said:

> Provided we continue to exploit these lands for wheat production as in the past, and provided the change in texture continues at the same rate as during the last decade or so, these soils will change to virtual sand dunes within the next 50 to 150 years. Within the next 150 years at the same rate of exploitation, Saskatchewan alone will have a sandy waste covering an area of at least 6,000 square miles unless these soils are taken out of cultivation and sown to grass.

In discussing the further point of water erosion he quoted the Alberta department of agriculture, which made the following statement:

> The rich soils of central and northern Alberta, as well as those to the south, are being ravaged by an enemy more subtle and more insidious than soil drifting—water erosion. Many of the fields in our best soil areas show minute rills or gullies in the spring after the snow has melted and after heavy rains. These rills, which grow into gullies and then into ravines, are the fingerprints of the monster erosion.

I quote these experts because of the position in which we find ourselves in Canada and because of our responsibility to the world. Today the world is finding itself short of food. This may seem strange with our abundant surpluses here in Canada, nevertheless that is the fact. I think Sir John Boyd Orr has written about it extensively. Isaiah Bowman, at one time president of the American Geographical Society, has written about it at length in his book called "Limits of Land Settlement". Recently a British food minister—I think his name was Sir Josiah Stamp—wrote a book entitled "Land Use and World Population", I believe it was called, and he discussed the whole world. The interesting thing about these publications, all of them written on a world basis by world experts, is that they all came to the same conclusion, namely that the one place where food, particularly cereal food, could be produced in order to provide the world with the necessary proteins was on the North American continent. It was not in the forests of Africa, it was not on the pampas of Brazil and the South American continent, it was not in Asia, but it was right here on this continent; and we Canadians have the major responsibility in the matter.

The problem is thrown directly upon us of conserving that soil so that our food producing potential will remain as high as it is at the present time, and may increase. I have not Sir Josiah Stamp's book with me and cannot quote his exact words, but his theory is that the greatest potential source of population growth is in this country and the temperate zone of the United States.

There is the problem and there is the responsibility. I merely mention the situation because I feel that no member of this party or this house, and as a matter of fact no Canadian who in any way considers that Canada has a responsibility to the world, can neglect the vital problem of maintaining the fertility of the soil in the west.

I come now to the Pacific coast. The one thing that is limiting growth on the Pacific coast, and this is probably also true of British Columbia even with its abundant rainfall, is the lack of water. Today growth in California has almost reached a critical stage. Their rivers are being used to their maximum possibility. The water table on the littoral below the Sierras has dropped as much as 50 to 100 feet in the last decade, or certainly since the beginning of the war. Great dams, such as Boulder dam, are silting up, and the whole problem of providing

an ever-growing population with water is daily becoming more critical. The same thing can be said to a lesser degree of the two northern Pacific states. Even in British Columbia, where there is such abundant rainfall, the incidence of drought this year is a warning that we cannot let go unheeded.

Coming now to the part of the country where I live, the rural section of old Ontario, it has been estimated that in order to provide adequate forest cover for farm land at least 14 per cent of the land should be under such cover. In many counties and townships in old Ontario and old Quebec, that part of the two central provinces south of the clay belt, less than 5 per cent, in some cases only 3 per cent, of the land has adequate forest cover. In other words we have depleted our forest cover to one-third of that which is considered to be desirable for a balanced economy by forestry engineers and agronomists, I believe they are called, who understand the business of land use. There is a great temptation for more and more land to be put to the plow and cropped, particularly when prices are high and when specialty crops such as tobacco command extraordinarily good prices, and it is understandable that more and more land should have its forest cover removed.

I want to make a suggestion to the government. I suggest that we have an optimum of 14 per cent forest cover over our agricultural farm belt in southern Ontario; and that the federal government, through grants in aid to the province, should work out with the province, and the province in turn with the county and township governments, a method whereby the local governments could be recompensed for the taxes lost on land given over to increased forest cover. My suggestion is somewhat along this line. If a municipality had 5 per cent of its land under forest cover and it was desirable to increase it to three times that amount, and if the taking of an extra 10 per cent of the land out of agricultural use and putting it under trees would decrease the tax revenue of the municipality, the federal government together with the province should work out a method by which the municipality could be recompensed for the loss of revenue caused by increasing the forest cover.

I want now very briefly to mention the timber industry as such and not in connection with forest cover. I want to quote a report which appeared about a year and a half ago written by John D. Gilmour, B.Sc.A., who also has a B.Sc. in forestry. He is speaking with regard to the use of our Canadian forests, and the title of the pamphlet is "Canadian Forest Policies are All Wrong". The first three paragraphs of his pamphlet are as follows:

> Canadians should check up on the management of their forests. Appalling deterioration has taken place during the last 50 years—a very short time in the life of a nation—and unless forest policies are changed speedily this country faces complete forest bankruptcy.

This appeared in the *Canadian Banker*, the periodical of the Canadian Bankers' Association; and he says:

> It is well that bankers, who are most vitally interested in Canada's long-term future, should interest themselves in forest management. The forest industries constitute the largest industrial group in Canada, contributing enormously to our domestic economy as well as to the maintenance of foreign trade and the earning of U.S. dollars.
>
> Although many among the best-informed Canadians despair of the forest future, because the problem is mainly a political one and wrong propaganda has for many years been at work upon the public, there is time yet to apply statesmanship and courage to find the right solution. Good examples are afforded by other countries.

I do not profess to know anything about the problems of forest management but I am quoting this article by an expert and I think he hits the nail on the head fairly well when he says the situation is political.

Now, Mr. Speaker, what are we frightened of? What possible problem are we frightened of politically with regard to our forests? The major industry in Canada today is that of forest products; yet we have articles written and published in the most conservative—with a small "c"—periodicals such as the *Canadian Banker* saying that our whole forest industry faces bankruptcy. It is a problem which this house cannot fail to take most seriously.

Mr. Speaker, I feel that one of the worst criticisms which could be levelled against parliament is that in all the years I have been a member, fourteen of them now, the committee on mines, forests and waters has never met. Would it not appear that here is a problem—a technical problem if you like, but a vital problem—affecting our whole economy, about which we have done nothing. There have been resolutions like that of the hon. member for Kootenay West (Mr. Herridge); there have been private bills similar to the one I brought in some years ago with regard to pollution; but the committee has never met to discuss this very vital factor in the economy of our country, the soil and the forest cover.

You would think that this house was not interested. You would think that this was something of minor importance. The very feeding of the world and the economy of our

whole nation stems from the soil, and the forests stem from the soil. With the horrible examples of erosion, of flooding, of dust bowls, and the shocking example on this continent of the Pacific coast situation, as far as I know for nearly a quarter of a century we have never once thought it worth our while as members of this House of Commons to call that committee together and bring in experts to see if something could not be done.

These things are not likely to produce headlines. There is nothing startling in increasing forest cover, and erosion, except in times of great and sudden flooding, is a slow thing. It does not rage like a fire, though when the floods come their devastation is just as quick and just as complete. On this question of soil rests our security, our ability to build our population, our ability to do our duty as a world power, but we let it go. We let the soil become more friable, we let our forests burn, we let our rivers erode, we pollute our streams, and we destroy our wildlife. Why, Mr. Speaker? Why do we do these things? Why do we allow these things to happen? Why do we sit here and let our land be slowly consumed by this monster? I do not know.

Mr. Macdonnell (Greenwood): We have too much.

Mr. Adamson: Perhaps. My hon. friend says that we have too much, but I do not think we have too much, Mr. Speaker. I think we are late as it is in taking steps to put an end to this situation, and I earnestly request that the government set up this committee and let us get to the root of the whole problem of soil erosion, water tables and the very earth itself. There can be no possible question of politics in it; there can only be a question of survival.

Mr. G. M. Ferrie (Mackenzie): I should like to say a few words on this matter, Mr. Speaker, because it is of special interest to my constituency. For some time I have tried my utmost to have action taken on the reclaiming of one million acres of land. Nearly two years ago the hon. member for Churchill (Mr. Weaver) and I took up this matter. My reason for taking part in this debate is that the hon. member for Kootenay West (Mr. Herridge) made the statement that soil conservation was C.C.F. policy. I beg to differ with him. It is certainly not C.C.F. policy in Saskatchewan.

For nearly two years I have tried to get the minister of agriculture in Saskatchewan to co-operate with the P.F.R.A. in the draining of the area between the Saskatchewan river and the Carrot river. There is a delta there which extends from the Carrot river to The Pas. It is a wonderful piece of land which could be developed and put under cultivation. The work would cost too much for the province, but not in co-operation with the federal government. I have tried to persuade two ministers to co-operate with the federal Department of Agriculture to get this great scheme for the Carrot river delta started. The hon. member for Churchill commenced working on the scheme at the same time I did. He has reached the point where Manitoba is talking of an agreement to take care of the Manitoba side of the delta.

I believe it is quite unfair to state that the federal government is not taking care of our land in western Canada. The P.F.R.A. in connection with community pastures, and the removal from cultivation of the dried-out area which has been put back to grass, has proven to be an outstanding piece of legislation. There has been co-operation with the provinces, and it has proven a great thing for western Canada. We are urging that the P.F.R.A. develop more land of this kind in the different parts of the three western provinces. It is good grazing land, but it is unsuitable for agriculture because it has periods of drought. We may go back a long way and say that it was a certain government's fault that this land was ever thrown open for homesteading. The land did provide a living for many people for a good long time. The P.F.R.A. has taken it over and is putting it back where it belongs, as grazing land.

The problem with regard to land and water conservation in the north is far different from the problem which we have here. As I have said, we have thousands of acres of small bush in my constituency. Since 1942 we have put about 50,000 acres of this bush land under cultivation, and it is now producing all kinds of grain. Some farmers are allowing their land to go back to pasture and some, on the advice of the P.F.R.A., are planting trees around their farms to make snow belts. There is no doubt that in time the northeast part of the province of Saskatchewan will do its share in providing food for the rest of the world.

Some years ago at one of the food conferences a member stated that there was not sufficient arable land in the world to give everyone in the world an American standard of living. I believe that is something we have to take into consideration. I believe one of the worst sights I have seen came to my attention in the province of Ontario. I am a great lover of the soil. I love to see the plow

turn over the soil. I do not like to see a bulldozer removing good soil. Two or three years ago in the township of Etobicoke I saw bulldozers digging cellars in very good earth. If anything hurt, that did. I went up to the contractor and said, "Surely it is time we realized that there are thousands of acres upon which we can build houses without tearing up this good soil." He said, "This is going to be part of the city of Toronto." I believe it is time they got together and moved part of the city of Toronto up into northern Ontario, where it is possible to build houses without interfering with the food production of the country.

Some day we will realize that we have to take care of the good land the Lord has given us. I am sure that with good tillage, good care and good organization a great deal of land could be conserved. I am satisfied that we should co-operate with the provinces. In fact I would go this far, and say that in conserving land and water for the good of the people of Canada, we should not listen too much to the provinces. Our first duty to the people of this country is to provide food. It will not be long before the North American continent will need all the food it can grow. It will not be very long before there will be 185 to 200 million people in the United States, and it will not be long before there will be 20 or 30 million people in Canada. Then our wheat fields in western Canada, which are called the bread basket of the Anglo-Saxon people, will look pretty small to 200 or 300 million people. I am in favour of our joining together in Canada and co-operating to see that every bit of our land and every bit of our water are taken care of.

We need the South Saskatchewan dam; we need that lake of water across Saskatchewan. I am not going to go into that now; we can say more about it later on, but we need that. Five hundred thousand acres can be utilized on our western plains. That would feed a lot of people.

In closing I wish to say there is no reason why the Saskatchewan government cannot co-operate with the Prairie Farm Rehabilitation Act administration and try to make that Carrot river delta as good a producing piece of land as the Portage plains.

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, I find there is much in what the hon. member for Mackenzie (Mr. Ferrie) has just said with which I can agree. The last two or three resolutions that have been produced by the hon. member for Kootenay West (Mr. Herridge) have been supported by the hon. member for York West (Mr. Adamson) and the hon. member for Mackenzie. This indicates that it is a subject on which there is very little political difference. I notice that the Prime Minister (Mr. St. Laurent) applauds. It may be that because of the Christmas spirit we are going to have a happy time for the remainder of the session. However, I am not so sure of that.

I am going to try not to repeat what has been covered in the speeches that have been delivered by the previous speakers, because I know we are all in unison, as the hon. member for Mackenzie has said, in our belief that people must be fed. We are conscious of the fact that the population of this world is increasing steadily and that millions of people are starving to death every year. We are also conscious of the fact that 60,000 more people are being born every day than are dying. We are also conscious of the fact that it has been estimated that the deserts of the world are increasing by 50,000 acres every day, and it is almost terrifying to try to comprehend just what it means.

The hon. member for Kootenay West has moved this resolution which involves conservation of soil, soil use, forest and water conservation. I am not critical of it. It is so important that we can all agree with it. In fact each feature of the resolution is so important that they all seem to be smothered by the tremendous consequences that are involved. Therefore I am not going to enlarge on what has been said in that regard, except to say that I am in full agreement with it. Judging by the attention that has been given to the matter by those who were in the house I know that we can all agree. It is not a case of party politics; it is not a case of criticizing this government particularly for not having done more than they have done in the last number of years, or of criticizing any particular province; because in fairness I know that the dominion government has its sphere of responsibility. As much as they may intrude on provincial rights, particularly by using their taxation powers occasionally, at least they do respect the old basic principle that the provinces are responsible for civil and property rights, and they do not like to intrude too far.

For many years, as you know, Mr. Speaker, I have strongly supported our policies on agriculture. I have been keenly interested in agriculture, but I have been concerned to see so much money set aside for agriculture in this dominion. I am not critical of that. In fact I realize that there is no one in this house who has not at some time or other said that agriculture is the basic industry,

the backbone of Canada, and so forth. We all know it is important; but I feel that sometimes we overlook other more important industries. Therefore I am not going to deal with water conservation, land use or the soil itself, because we know that the greatest God-given heritages we have are the first six inches of soil and the forests. Forestry is important. For many years it has been more important in your province, Mr. Speaker, than agriculture. In fact I think it is more important yet in that rich province to the east. Almost every province in Canada is vitally concerned. Forestry and forest products generally, as the previous speakers have said, have been to some extent overlooked. There is no industry in this dominion, Mr. Speaker, that gives so much to the national revenue of this country and gets so little out of it. No industry in Canada pays as much in taxes into the national revenue as does the forest products industry of this dominion, and no industry of any importance gets so little from the dominion by way of assistance.

In agriculture we have the central experimental farm and other farms supported by the dominion government; we have agricultural services supported by the government; we have all sorts of assistance from the dominion government running into hundreds of millions of dollars over the years. Again, Mr. Speaker, I do not say this in a critical mood of the present government. It has been the way of governments in Canada down through the years. So far as that is concerned no party in this house, neither the party forming the present government nor those who sit in opposition representing Her Majesty's loyal opposition, has any monopoly on how little it has done for the forests of Canada.

As has been said by the hon. member for York West today, we have smugly gone along and taken it more or less for granted. We have had all sorts of parlour criticism about what has been happening to our forests. I am not going to speak on that, or of what reforestation and keeping the ground covered with forests means to water levels. Every hon. member knows that very well. He who runs may read.

Not so long ago I read an article which said it has been estimated that a thick reforestation of five acres will raise the water table from 3½ to 4½ feet on fifty acres of land. Therefore it has a great effect on our whole national life, on climate, streams and all the rest of it. We know how streams have dried up even in our time because of lack of forests; and I do wish to mention the importance of the forest products industry of this dominion. As I have said, it is Canada's leading industry. It pays more into the treasury of this dominion than any other industry. It is first in the amount of wages paid in Canada. It is first in the employment of our people. It is first in value of exports to the United States, and plays a leading part in our trade with that nation. It stands first in importance in world trade. Our tremendous forest resources are of vital concern to the Canadian economy. No similar number of people anywhere in the world have at their disposal the vast forest resources we have in Canada.

I am pleased to speak on this occasion. I hope no one will suggest that I am speaking only because I am personally interested in this industry. It will be kept in mind that I am also interested in agriculture, and have been interested in it all the days of my life. Whether or not we get more votes on the hustings than do the government supporters who would look for the support of the farmers, we must not forget that the forest industries of Canada are vital to the economy of our nation. They were of great importance during the years of depression, and all down through the years have been of great value to this nation.

Despite high grain prices, I would remind the house that exports from the forest industries of Canada have for several years brought in more foreign dollars, chiefly United States dollars, than has agriculture. Perhaps there are only a few people who realize the truth of that statement. We have been in the habit of accepting agriculture as our chief industry, from the standpoint of the income it produces.

I know there will be those who will say that our forests are being depleted and ruined. There are policies of reforestation that are sound in principle and should be proceeded with. I give my support to this resolution because it brings a matter of great importance to the fore, to the attention of the house and the government, and gives the government an opportunity to sit in with the provinces. I am not critical of the fact that the present government has not gone all-out in a program of road-building, fire protection and protection against disease in our forests. That is not the function of the federal authority; rather it is that of the provinces.

However, it is a matter of vital national importance that, no matter what party may be in power, the forest industries should be given careful attention. When I refer to the forest industries I mean, of course, lumbering, logging and all those other occupations involved. All governments in Canada should consider the forest industry as of paramount

importance, even surpassing agriculture. Thus far, this has not been done.

I have only a word to say about the utilization of forests. I know there are those who will say that the forest industries are depleting and ruining our forests. They will say that those who are interested in forestry are proceeding in a reckless and haphazard fashion. Well, that may be a popular, parlour criticism, but I suggest it is wrong. It is just as nonsensical as if I were to tell some of my friends from western Canada that they should not cut down a beautiful field of golden wheat because those of us from eastern Canada would like to look at it. It would be just as foolish for us to say that it would be a shame to cut down that wheat. The difference is that it takes 50 or 75 years to develop a crop in the forest, while in the wheat field it takes only a few months, perhaps six or eight. Sometimes it takes longer than others. In Ontario, where we grow fall wheat, we think it takes about a year to get a crop.

An hon. Member: Sixty-five days in the west.

Mr. Rowe: And it takes about 65 years to develop a tree.

Mr. Ross (Souris): They do not grow wheat in the west in 65 days, either.

Mr. Rowe: It may be that the hon. member who interrupted first comes from a pretty rich district.

I have made these observations in passing so that the matter may be placed before the house fairly. This is a subject familiar to many hon. members. Indeed I know the Prime Minister (Mr. St. Laurent) as well as the Minister of Finance (Mr. Abbott) know about the great forest industry of their native province. But this industry is divided into different spheres.

I mention this feature in passing because, after all, trees are like people. They are born; they blossom; they come to full fruition. Then they begin to get a little gray on the top, the foliage becomes somewhat scarce. Eventually they begin to dry up, and finally they fall down and die, returning to the earth.

Mr. Hees: A sad story.

Mr. Rowe: Yes, it is a sad story; and, young as you are, some day you will realize the truth of it. There are some people who believe that because we have a beautiful forest it should not be cut down. I would commit the same folly if I were to say that because I have a beautiful crop of wheat on my farm it should not be cut. There is no harm done, if these crops are properly harvested.

How are our forests harvested? Twenty-five per cent of the forest products are used to produce logs and lumber, pit props, railway ties and the like. Then from 23 to 24 per cent is used for fuel, to keep our houses warm. About 22 per cent of the total forest depletion in Canada is used by the pulp and paper industry. It is interesting to point out that a greater proportion of our forests is lost through fires and insect pests than is used in the great sawlog and lumbering business or the great pulp and paper industry. Then more of our forests are lost from lightning and disease than the amount used to keep our houses warm.

We should keep these thoughts in mind when we consider what is happening in our forest industries. It is not my intention to speak at great length, but I do urge that the government give the matter consideration. True, this is a private member's resolution; but in the interests of soil conservation, water conservation, and everything involved in these great forest industries, I urge the government to give consideration at the earliest possible moment to the setting up of a dominion-provincial conference to study this problem.

Someone may ask what can be done. I know this government seems to be getting more modest every day. Perhaps it would hesitate to infringe upon civil and property rights in the provinces to any greater extent than it already has. I ask the government to approach this subject as one that is fundamental to our economy, one that is as important as agriculture. The whole standard of living of our people depends upon what is involved in this resolution. Soil utilization and water conservation, employment and wealth—all these things are involved.

I am not one who believes that the forests of Canada are going to be depleted; not at all. I have made personal observation of our forests being harvested over several years. In one area, within a period of 20 years, I have seen half a dozen trees growing for each tree cut down. We know that in Ontario one of the large pulp and paper mills is now going over the very same ground from which it harvested trees 50 years ago. The same is true of the province of Quebec, the province of British Columbia and other places. The forest wealth of this dominion is tremendous, but only about one-third or one-quarter is being utilized. The other two-thirds or three-quarters is growing up, falling down and dying as I have tried to describe.

I believe there is a great field for the closest possible co-operation between the provinces and the dominion, as previous speakers have urged this afternoon. I do not think it is a waste of trees, if they are properly harvested, to cut them in order to keep people warm. I do not think it is a waste of trees to cut them in order to provide permanent employment for thousands of people. More people are employed by the forest industries of this dominion than by any other industry. I know of several such places, but there is one with which I am familiar where the third generation is working in the same plant. If the trees are properly harvested, if there is proper management, if the proper interest is taken by the public and government to protect our forests, not so much from being improperly cut and harvested as from insects, disease and fire, then there will be perpetual production and perpetual employment.

About three or four years ago I had the opportunity of visiting a mill in Sweden. At the front of the mill was a stone on which it was indicated that it had been there for 600 years. I asked the manager what it meant, where the stone came from. He laughed and said, "The older it gets the more we think of it, because everybody asks about it. This was a saw mill 600 years ago." That company was cutting trees on the same area. That is why it is like agriculture, only it takes 65 years for the one crop to grow while it takes only 65 days for the other crop to mature.

In our provinces it has been left to the different companies to do their own road-building. These companies have to build roads and clean streams in order to make them navigable and in shape to take out the lumber. Roads are necessary in order to get the men in and the lumber out. Quite often it will be found that there is a gap of 40 or 50 miles between the roads of one lumber company and those of another just over the horizon. When a fire starts and is discovered by the fire rangers in their towers it is quite often found that it is inaccessible by road. Millions and millions of dollars have been spent by the forest industries of this country in the building of roads. Some companies have two or three hundred miles of roads on their limits. These are necessary in the carrying out of their operations.

It is true that a great amount of our forest wealth is being used. Every day the sun rises one hundred acres of Canadian forests are used to print the New York *Times*. I am mentioning only one, but I could mention other newspapers in the United States which are using just as much of our newsprint. It is said that is ravaging our forests, but the fact is that this wood is being cropped and is providing a lot of employment. These operations can be perpetuated.

This matter transcends Canadian politics; it is something indigenous to Canadian national life and our standard of living. I urge the government to give some thought to this problem. Probably it cannot be done by means of this resolution because with all due respect to the hon. member who has introduced it—I thank him for bringing it up at this time—it is almost too comprehensive; it covers almost too much. Perhaps he might say that one issue is involved in the others but I urge that there should be the closest co-operation between the dominion and provincial governments.

I urge the government to consider giving grants in aid to the provinces. I know they do not like to give money to provinces to be spent by someone else, but perhaps there could be a commission or a joint management scheme arranged to handle this assistance for road-building. I urge the government to give consideration to evolving a plan by which our forest rangers and fire fighters will be able to get to any trouble that may develop.

We sometimes blame the government for not having enough forest rangers when we see a fire ravaging a whole mountainside, but it must be remembered that a great many fires are due to lightning. This happens in districts where the trees have been infested with worms or disease and are so brittle that they almost explode when struck with lightning. The men who fight these fires should be able to get to them.

A scheme of roads in the forest areas of the different provinces would be of great assistance, and I urge the government to give some thought to providing grants in aid to the provinces in order that assistance may be given to an industry which provides more revenue for the national treasury of this dominion than any other industry, yet is receiving less because of what might be termed constitutional responsibilities.

There should be a conference between the provinces and the dominion to clarify what might be termed constitutional technicalities. The provinces are directly responsible for civil and property rights, but this great forest wealth involves our soil, our water tables and our national economy. So much is involved in this issue that the dominion government owes it to the Canadian people to give greater consideration and more attention to our great forest industry.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I feel I would be remiss in my duty if I did not take advantage of this opportunity to support my colleague, the hon. member for Kootenay West (Mr. Herridge). The resolution he has on the order paper is pretty broad, and one could wander very far afield. However, I am not going to do that this evening. I have two points I want to make that are germane to the resolution, and I am going to stick to those two points. They arise out of a memorandum I have in my hand from the Nova Scotia farmers' association.

During the recess, in fact on January 7, this association held a meeting in Halifax to which they invited all the Nova Scotia members of parliament for the purpose of putting before them certain matters that are bothering the Nova Scotia farmers' association. I was not able to attend their meeting because I was tied up with other matters, and told them so; but I received a copy of a memorandum from them which no doubt all other members from Nova Scotia received. In order to lay the premise for my few remarks I am going to quote a paragraph from the memorandum which is relevant to the resolution now before us. The memorandum deals with several other matters having to do with the problems of agriculture in that province, but they can be dealt with at a time when a subject is before the house to which they can be related. The paragraph I wish to read from their memorandum is as follows:

> For a number of years our provincial and national organized farm groups have been concerned with instituting some type of conservation of our soil, water and forest resources. In a recent reference made through the speech from the throne, it was intimated that such a program would be developed and administered under the Department of Resources and Development. We feel that any program of conservation which will be dealt with through provincial and national channels, and will ultimately concern the farmers of this nation, must be under the jurisdiction of trained men in the profession of agriculture working in close co-operation with our farmers, and we urge that serious thought must be given to this before our federal legislation is proclaimed. Soil and water conservation are inseparable and the experience of other countries in endeavouring to administer similar legislation in departments other than agriculture has left much to be desired.

I am in agreement with that statement. The speech from the throne did indicate that conservation measures such as are mentioned in the memorandum were being considered and would be undertaken by the Department of Resources and Development. I agree with the statement in the memorandum because I believe that particular function belongs to the Department of Agriculture. At the present time the Department of Resources and Development has at its head a very fine man who is highly qualified in his own profession, as an electrical engineer. By and large the technical personnel of that department have to do with construction, housing, the financing thereof and matters of that kind. I think it is a mistake to take a matter that definitely belongs in the Department of Agriculture and place it in the Department of Resources and Development, because I do not think we want to have the future of the agricultural industry of this country tied in with a lot of technicians who are already very much involved in problems they are finding it very difficult to solve.

On the other hand the minister at the head of the Department of Agriculture knows a great deal about agriculture and has for many years, both provincially and federally, administered legislation on the prairies and throughout the country that has had a specific relation to the subject matter of the resolution now before us. I think that is one point the government definitely should consider if they are going to embark upon a program of soil, land and water conservation as indicated in the speech from the throne. In my opinion the first thing they should determine is to place these measures under the jurisdiction of the department that is best able to deal with them, and I support the recommendation contained in the brief of the Nova Scotia farmers' association.

I do not want to go into detail, but over the years I have read quite a bit about the experience in the United States when they set up an organization apart from their department of agriculture and attempted to do the kind of job that it is suggested in the speech from the throne we are going to undertake to do apart from our Department of Agriculture. The government would be wise to read about the experience they had in the United States, because it left very much to be desired. I want to make that point, and I strongly urge the government to consider this matter and refer the whole problem to the Department of Agriculture.

Then I have a second recommendation to make to the government. For a great many years on the prairies we have had the Prairie Farm Rehabilitation Act, and there are many trained personnel who for a long time have been carrying on the type of work that is here visualized on a national scale. They have gained a great deal of experience. In order to obtain equality of development throughout the country, I believe that the government should consider at the earliest

possible date the possibility of extending the Prairie Farm Rehabilitation Act to cover the whole country. I think in that act they have all of the powers necessary to go into a full scale program of conservation of water, land and forest, and of reclamation. I think that act covers the matter on a regional basis in a way that we desire for the whole of the country.

As is suggested in this resolution in my opinion there are only two things the government ought to consider. The first is keeping the problem in the hands of the Department of Agriculture, and the second is the extension of the Prairie Farm Rehabilitation Act across the country with the necessary personnel to administer it in the other provinces. If that is done I think a base will be laid for a good over-all national development that would cover all the points suggested by the resolution now before the house.

Mr. W. J. Browne (St. John's West): Mr. Speaker, I would like to congratulate the hon. member for Kootenay West (Mr. Herridge) on stirring up so much discussion about a subject in which I am sure everyone has an interest. In my opinion it is more than an academic interest; it is a matter of the greatest importance to all of the people of this country. As the hon. member for York West (Mr. Adamson) has pointed out, it is of the greatest importance to people everywhere, and I do not think there can be any disagreement between members on either side of the house about the desirability of conservation or even of a national policy.

The hon. member who introduced the resolution complained that members of other parties criticized the C.C.F. because they go in for planning. As I listened to him I found it very hard to disagree with the way he put his statement; but we do disagree with the C.C.F. for wanting to plan everything for us. In the course of his remarks, and I believe I am interpreting him correctly, he advocated a policy of nationalization of the soil, the forests and the things that grow in the soil, and I cannot agree with that.

This country has been wonderfully blessed by divine Providence with tremendous natural resources of soil, of forests and of water power; yet in almost every province from the Atlantic to the Pacific you hear complaints of shortages of one or another of them. I was told only yesterday that in the city of St. John's they are short of water, and that it is dangerous to extend the city any farther without making provision for additional water, for which they will have to go many miles. The federal government has advised investors in the United States that waters of the Yukon river cannot be diverted to develop an aluminum plant in Alaska because of the probable needs for development of water power within Canadian territory.

We are always hearing of tremendous floods and the soil erosion that follows those floods. I remember reading of a very distinguished Newfoundlander, Sir Edmund Gosse, who became librarian of the British museum, and who wrote that when his father first went to Newfoundland 150 years ago at the site of the town of Harbour Grace great forests of spruce and pine grew down to the seashore. Today all the territory is a barren, and the word "barren" in Newfoundland has tremendous significance. It means vast stretches of land on which only small shrubbery grows. The government is now making an attempt to get trees to grow in that area.

When you consider that when this country was discovered, and for centuries afterwards, these great forests stretched over much more territory than they do today, and that despoliation by man, by forest fires sometimes caused by man's carelessness, and by insects has destroyed so much of it that we are worried about the future, then I think this resolution is timely in drawing the attention of hon. members and of important sections of the country to this problem.

These various resources are all related. I suppose the soil is the principal resource because from the soil the forests grow and the forests protect the water supply; but they are all interrelated. I would put the forests first in the sense that by having good forestry and reforestation, and by protecting the forests, we protect the waters in the lands where the forests are and in that way we protect the soil to a certain extent. In Newfoundland we have suffered terribly through forest fires, many of them caused by the railways. The substitution of oil-burning engines for the ordinary coal engines on the railways has had the splendid result of decreasing forest fires. When you pass along the railway line in Newfoundland or in the maritime provinces and see vast stretches of formerly beautiful forest lands destroyed, with nothing left but those gaunt spectres that stand up and seem to be protests against the wrongful use of the land by man, then we see that the need for protection and conservation is great.

Many years ago there was a man in Nova Scotia named Frank D. J. Barnjum—I do not know whether anyone here remembers him—who for years sent out letters to legislators and others warning them that the future would be disastrous if we kept on

with the policy of using the forest resources without reforestation. I am glad to say that in recent years more attention has been given to the protection of forest lands in Newfoundland than was the case formerly. Every year now we have a fire prevention week or a forest protection week when attention is drawn to the preservation of the forests which mean so much to the people there. The same thing applies in the maritime provinces and the province of Quebec. By lectures to students, by broadcast talks, by notices and through the press the public is advised of the importance of the forests and the forest products industry to the country. This afternoon the hon. member for Dufferin-Simcoe (Mr. Rowe) told us something that is a fact, that the newsprint industry today is the most important industry from a monetary standpoint. It exceeds in the value of its production the whole of the agricultural industry; and that is a tremendous statement for anyone to make.

In Newfoundland we use the forests to obtain building material, fencing material, firewood, pit props and also pulp and paper. I suppose in the other maritime provinces the forests are used for the same purposes.

The hon. member for Kootenay West seemed to advocate nationalization, a nationally directed policy, but when he was talking about the work that was being done in the United States, which he praised, he spoke of co-operation between the federal government and the governments of the various states. It seems to me that what is desirable in this country is co-operation. The speech from the throne, in referring to conservation of the water resources of the country, speaks of co-operation between the federal government and the provinces. The measure, of which notice has been given by the Minister of Resources and Development (Mr. Winters), implies co-operation and not a policy directed by the federal government. I do not think it would be advisable to have a policy directed from Ottawa. I believe it should be a matter of agreement, and the representatives of the different provinces and the federal government should get together.

Mr. Gillis: That is what the resolution calls for.

Mr. Browne (St. John's West): That is the interpretation I put upon it, but that is not the interpretation the hon. member who introduced it puts upon it.

Mr. Gillis: It speaks for itself.

Mr. Browne (St. John's West): Let me say what it means.

Mr. Gillis: Did you read the resolution?

[Mr. Browne (St. John's West).]

Mr. Browne (St. John's West): Yes, I read the resolution. I have the resolution here.

Mr. Gillis: Well, read it.

Mr. Browne (St. John's West): The hon. gentleman spoke of nationalization. I suggest that when he talks of a national policy—

An hon. Member: He has nationalization on the brain.

Mr. Browne (St. John's West): The hon. member who is interrupting me now must admit that the policy of his party is nationalization of everything.

Some hon. Members: Nonsense.

Mr. Browne (St. John's West): Other members of the C.C.F. party are interrupting and saying it is nonsense that the C.C.F. advocates nationalization of everything. Next we shall find they will become Conservatives. It is natural for our party to want to see conservation of the soil, forest and water resources of Canada.

I believe the Minister of Finance (Mr. Abbott) asked what could be done if there were a federal-provincial conference. I was going on to say what I think should be done. The federal government, through its various ministers, such as the Minister of Agriculture (Mr. Gardiner) and the Minister of Resources and Development (Mr. Winters), who seems to be a suitable man for that work, could act as a liaison agency between the different provinces. The federal and provincial governments could pool their knowledge and experience. All of them have had different experiences with different resources.

In Newfoundland we are probably more concerned with water power and forest resources than are the prairie provinces. Naturally on the prairies they are more concerned with the conservation of the soil. In any case the federal government, through its ministers, could act in a liaison capacity to bring the representatives of the provinces together and pool their knowledge and experience, and in that way a policy could be worked out by agreement and not by direction.

Mr. H. R. Argue (Assiniboia): I rise to support the resolution of the hon. member for Kootenay West (Mr. Herridge). I feel that he has done the country a service by proposing the resolution now before us, which requests that steps be taken to provide a national policy of soil, forest and water conservation and land use in Canada.

This afternoon I noticed that the hon. member for Mackenzie (Mr. Ferrie) seemed to think he was in the provincial legislature in Saskatchewan rather than in the House of Commons. He said something about a development program in the northeastern

part of Saskatchewan, and wished the Saskatchewan government would help develop that area in co-operation with the P.F.R.A. I am not well acquainted with the issues involved but so far as I know the Saskatchewan government has always been prepared to co-operate with the P.F.R.A. in every way possible. However, the government of Saskatchewan does not want to turn over that land to the sole administration of the P.F.R.A. So far as the Saskatchewan government is concerned, I feel it has taken an active and growing interest in conservation. This is borne out by the fact that the budget of the Saskatchewan department of agriculture has increased five times since 1943-44. In addition to that increase in the budget of the department of agriculture, $750,000 has been allocated to capital account, mainly for irrigation and drainage projects.

To me the matter of conservation is simply the matter of using the land and water resources in the best way possible. Any program of conservation for Canada is a program that will help all parts of this nation. In looking over the various reports that have been made by agricultural authorities, certainly the maritime provinces and Ontario stand to benefit a great deal from a conservation program. A committee of experts on land use, meeting in Guelph in 1942, reported that there were 8,000 square miles of abandoned farm land in the province of Ontario, and that at the then rate of rehabilitation it would take 800 years to bring that area back into crop production. I believe that Ontario, because of its high rainfall and its rolling topography, has probably suffered more from water erosion than any other part of Canada. For that reason Ontario has a stake in a national conservation program. I feel that a conservation program is something that will appeal to all Canadians in all parts of our country.

The best person to undertake the conservation of land is the farmer who is operating that land. It is unfair to expect the farmer unassisted to conserve for posterity his land resources when he must make a living from year to year. Perhaps because of heavy debt the farmer must work his land in such a way as to obtain the greatest possible annual income. From personal experience and observation I can say that the western Canadian farmer is not in a position to follow the best land use practices. Even though a given part of his farm, from the standpoint of conservation over a long period, might be better used in the production of grass, in most cases the farmer is unable to do that economically because he has a mortgage on his farm or has obtained some credit and his creditors are knocking at the door. They want cash every year, so he is forced to grow a cash crop. He is forced to raise grain year after year, even though he may know that such a practice is not the best long-term land use for his particular farm.

If the farmer is to conserve his land as he would like to do, and as he needs to in the national interest, then some assistance must be given that farmer. This principle has been amply demonstrated by the experience of the United States department of agriculture. In the United States a farmer is paid a specific sum for carrying out a specific conservation practice on his farm. If we want our farmers to engage in contour farming, in a proper system of crop rotation, then the farmers will need some financial assistance and leadership from the federal government.

The House of Commons does not have to take my word for that statement. I have before me the words of L. B. Thomson, director of the prairie farm rehabilitation organization. He makes the statement that if we are to get proper land use and proper conservation of our soil resources, then in addition to an educational program there must be some financial assistance provided to individual farmers to undertake necessary and specific conservation practices.

I feel that it is in the long-term interests of our nation to provide a conservation program for our soil resources, particularly when we are aware of the fact that from our land we obtain our greatest new wealth. Our soil produces new wealth annually to the amount of over $2 billion. From the standpoint of keeping our economy buoyant and maintaining prosperity in the nation we need to make sure that agricultural production is maintained, yes and even increased. If we fail as a nation to conserve our agricultural resources, in addition to the eroded lands of Ontario and the maritime provinces we may have a return to the dust bowl conditions that prevailed in the three prairie provinces in the 1930's, and when those conditions prevail over a long period of time they do permanent damage to the productivity of the soil.

One of the most powerful weapons for peace and democracy in the world today is food. It is difficult to see how we can promote democracy when we on the North American continent are worrying about burdensome agricultural surpluses and doing little about them, while at the same time most of the citizens of the world are hungry. I say that a program of proper conservation, a program of expansion of our food production, together with policies to make that production available to the hungry peoples of the

world, would be our best and most effective contribution toward peace in the world.

I come from a province that has never had a surplus of water. Nevertheless we have one source of water that might be utilized more effectively in the future than it has been in the past. I refer to the Saskatchewan river, and specifically to the development of the South Saskatchewan dam and irrigation project. In moving this resolution the C.C.F. have not attempted to show that we are promoting conservation and others are not. The same is true in reference to the South Saskatchewan dam. If there is one person in Canada who has done perhaps more than anyone else to promote the idea of the South Saskatchewan dam and irrigation project and the benefits that would flow therefrom to all the people of Saskatchewan it is our own federal Minister of Agriculture (Mr. Gardiner). Ever since 1935 he has toured that province year in and year out, election after election, explaining to the people of Saskatchewan the great benefits that would flow from the development of the South Saskatchewan dam, and we agreed with him all the time. As the elections were held the Minister of Agriculture became more specific.

Mr. Ferrie: No, you did not do anything of the kind.

Mr. Argue: Speaking at a meeting at Lemberg on June 23 in the 1949 election campaign, the Minister of Agriculture asked the people of his audience to send the Liberals back to Ottawa to complete the job. At that time he was referring to the completion of the South Saskatchewan river project. All the reports we are receiving now, including the answers given by the Prime Minister (Mr. St. Laurent) this afternoon to the hon. member for Lake Centre (Mr. Diefenbaker), indicate that the report of the royal commission on the South Saskatchewan dam and irrigation project is going to be adverse. When the hon. member for Lake Centre pointed to the statement in *Time* magazine that the report would be adverse, the Prime Minister said: "Of course there are some leaks on some reports from time to time." I myself am not mainly interested in whether or not that royal commission recommends the development of the South Saskatchewan river project, because as far as I am concerned the main thing is not whether the royal commission recommends the completion of the project; the main thing is whether or not the government will proceed with the project.

Over the years, and indeed for a number of years, the P.F.R.A. engineers have recommended this project. They have given their estimates of costs from time to time; and even though, according to the reports, the commission, after a quick look, obtained an estimate that the cost would be $250 million, this does not prove at all to me that it is in any way correct when the best P.F.R.A. engineers have said that the cost will be less than half that figure.

Mr. Speaker: Order. I think it would be better to postpone discussion on that project until the report has been tabled. The matter has been referred to a royal commission, and the commission has not yet reported.

Mr. Weir: Has it not? How do we know all these things about it, then?

Mr. Argue: Apparently the report of the royal commission has not yet been made available to hon. members.

Mr. Ferrie: Did you not get a copy?

Mr. Argue: As I understand it the sittings of that commission have been concluded, and it is a matter of printing or something else; then hon. members will be given the report. However, I would point out that the resolution we are discussing refers to conservation and the use of water resources. Because that is contained in the resolution I was attempting to point out that the South Saskatchewan river project is important to western Canada and particularly to Saskatchewan, and we feel that the best use should be made of the water resources in that province. I believe it is well known to hon. members, because it has been mentioned here many, many times, that the development of such a project would irrigate 500,000 acres of land. The development of the project would provide over 400 million kilowatt hours of electricity.

Mr. Speaker: I hesitate to interrupt the hon. member again, but I think he will agree with me that the discussion of that problem might better be left until the royal commission has reported.

Mr. Argue: I bow to your ruling, Mr. Speaker. I am willing to postpone discussion of the report until it has been made public, although I want to say that my whole purpose in discussing it at this time is not to comment on its contents, but merely to point out that the people of Saskatchewan are demanding and will continue to demand the completion of the South Saskatchewan irrigation and development project.

The resolution of the hon. member for Kootenay West (Mr. Herridge) refers to the development of water, land and forest resources. If we are to conserve adequately our forests, our lands and our water resources there must be legislation to make this possible.

I should like to point out, however, that we shall oppose any move to take land conservation and use out of the Department of Agriculture and hand it over to the Department of Resources and Development, or any other department. Surely no group is better qualified to deal with the conservation of land resources than the persons who have specialized in the subject, and who have obtained university and technical knowledge in the field of land use and conservation.

I see on the order paper a resolution which forecasts legislation to provide for the conservation of water resources, for which the federal government will pay 37½ per cent in respect of any project. Let me say to the government that this measure should not mean that the present program under the Prairie Farm Rehabilitation Act, controlled by the Department of Agriculture, is curtailed in any way. I hope it does not mean that there will be either a quick or even a gradual shift to the Department of Resources and Development any part of the land conservation program now under the Department of Agriculture. We in this group do not always agree with the Minister of Agriculture and the officials in his department; but I think it is agreed by all that the prairie farm rehabilitation program has been good, that at least at the top it is staffed by most competent persons, that nothing should be done to curtail the program, but that rather everything should be done to expand it. If we use the present facilities it offers and, as the hon. member for Cape Breton South (Mr. Gillis) has said, make it applicable to all parts of Canada, and use the personnel we now have in the Department of Agriculture, we shall have taken a long step forward in conserving our land and water resources.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I have found this debate particularly interesting, and for that reason I feel grateful to the hon. member for Kootenay West (Mr. Herridge) and to other hon. members who have taken part in it. Because, as has been said, it is not a party matter; rather it is a matter in which we have common interest. My own excuse for taking part in the debate is some of the observations that have been made during the course of the debate.

I was, in the first place, surprised and perhaps the least bit shocked, by what was said by the hon. member for York West (Mr. Adamson), that the standing committee of the house set up for the purpose of dealing with these matters has not been called together for a good many years. I have asked myself why that was so; and the answer I have given myself is that perhaps it has not seemed very urgent, that other things have seemed more urgent, and that this has been allowed more or less to remain in the background.

I should like to make one or two suggestions. First of all, this is an urgent matter. These are increasing evils. There is increasing deterioration going on at the present time which, if not stopped, will become extremely serious. In that connection I should like to refer to a report made some years ago under the auspices of the dominion and Ontario governments, I believe, with regard to a small area in Ontario which was intensively investigated.

Having regard to erosion and other matters which have been referred to here tonight, it seems to me if we look back to that time we see that during the war—and the report I mention was made at that time—there was every intention of dealing quite seriously with this problem when the war should end. It was felt that this and other forms of activity would be necessary to provide employment.

I think if we look back we can see clearly that what has happened in the last several years is that we have been so busy exploiting new resources, notably mineral resources which, after all, do not re-create themselves —"one toot and yer oot!"—that these resources have been neglected. These resources which, as has been pointed out today, are perennial, provided we do not destroy them, have tended to receive far less attention than they otherwise would.

This leads me to ask whether the situation is satisfactory or unsatisfactory. I was a good deal reassured by one thing said this afternoon by the hon. member for Dufferin-Simcoe (Mr. Rowe) because, like the hon. member for St. John's West (Mr. Browne), I remember the letters which used to be sent out 25 years ago by Mr. Barnjum. He, as I recall it, predicted disaster unless we very quickly pulled ourselves together in the matter of forest conservation. As I say, I was a good deal reassured this afternoon by what the hon. member for Dufferin-Simcoe said, though at the same time he stressed in the strongest possible manner the need still for a proper kind of conservation.

Leaving the forests for the moment and speaking about agriculture, we are all only too familiar as we go through the country, whatever part we are from, with the spectacle of abandoned farms, particularly due to erosion. I suppose that would have been dealt with much more effectively than it has been if it were not that, in spite of all our failings and in spite of all our neglect, we have had so much virgin land and so many

new resources. In connection with agriculture we have produced plenty for our own needs, and sometimes almost more than we felt we could find places in which to sell it. That seems to have been the reason for our neglect.

As to the extent of the neglect, I should like to read a sentence or two from a report I hold in my hand which was made about the Ganaraska watershed. The Ganaraska is a little river emptying into lake Ontario at Port Hope. Anyone who has passed through that farming country would be delighted with its appearance and surprised to learn that it was suffering from severe deterioration.

I should like to read briefly from the introduction to the report, which is signed by Dr. R. C. Wallace, one time principal of Queen's university and before that, as hon. members will recall, an Albertan, and before that a Manitoban. Certainly few people have greater knowledge of Canada than has Dr. Wallace. The introduction to the report is dated December 21, 1943, and in it Dr. Wallace says, in part:

> Deterioration of soil, due in large measure to the removal of forest cover, has given rise to serious problems in many parts of Canada. The soundest and most economical methods must be found by which such land may be brought back into productive use. It is now well recognized that conservation projects should be included among the major enterprises, both for providing employment in the immediate post-war period and over the longer term, to help to stabilize the economy as a whole.

And later:

> On any basis, conservation is a pressing need. It is far from sufficiently realized how urgent the task of soil conservation is. If southern Ontario, in which the Ganaraska region lies, be taken as one of the older areas of Canadian settlement, it was estimated twenty years ago that 8,500 square miles of land was marginal or submarginal for agriculture. Recent observations show that in spite of the expanded conservation programs of the government in recent years, the submarginal areas are growing larger.

And finally he says:

> At the present rate at which remedial measures are being applied, it is estimated that it would take several hundred years to deal with the problem.

In other words the soil could be so robbed in a very few years that conservation would then entail a task lasting several hundred years. The problem is there, but of course nothing will be done about it unless we have a certain sense of urgency. Perhaps it will be said, "How are you going to have a sense of urgency about the growing of wheat when we have a so-called surplus of wheat?"

It seems to me that we have moved into an international situation where we have to have a sense of responsibility as well as a sense of marketing. As a boy I can remember feeling that it was rather surprising and rather fortunate that we on this continent were so well off, that we were so much better off than the people in other crowded parts of the world such as Asia, about which we read. But I accepted that as being a fortunate chance that I had been born in Canada and that we Canadians had these advantages. I probably felt that all we had to do was to be thankful for them.

But I think we all feel that we have moved into a different stage of history with the shrinkage of the world, as someone said, to the size of a baseball. I think everyone will agree that we have moved into a situation where we cannot afford to be irresponsible in the use of the land that we have. I was talking recently to a man who had just come back from India, and he spoke of what a distressing experience he had had in seeing crowded populations who hardly knew what it was to have a square meal.

I am not forgetting the humanitarian point of view because I know we all have that, but I think we have moved into a situation where it will be not only our duty but our interest to see that our lands and resources are conserved, that we grow the greatest possible amount of food. I am not overlooking what may be the immediate problem of finding out how we can fit this into world trading relationships, what techniques we can adopt and what relationships can be brought about so that what is grown here can be made available.

I just wanted to place these few remarks on the record. I am not purporting to say what exact steps should be taken. I have no quarrel with the wording of the resolution, as I feel that in spite of whatever other preoccupations we have we should not allow this matter of conservation to escape our attention. If we do so, one of these days we may wake up and find that the other resources which now are doing so much to assist our economy may not be needed as much as they are at the moment, and that all these particular workings which we now have will one day have disappeared. But as was pointed out earlier this day in this house, through the providence of God the resources we are now talking about are without end if we as the human agents do our part to maintain them.

Mr. Brooks: Mr. Speaker—

Mr. Deputy Speaker: The hon. member for Peace River.

Mr. Solon E. Low (Peace River): Mr. Speaker, I tried on one or two occasions before this to rise but it was not possible for me to get into the debate. I do not propose

to take up much time in repeating the arguments that have been used by speakers who have preceded me in an effort to convince the house that this resolution should pass. I shall try to limit myself to dealing with a few things which perhaps have not been stressed to any great extent.

In the first place, I want to let it be known that those for whom I speak favour very much the tenor of the resolution moved by the hon. member for Kootenay West (Mr. Herridge). We think it is timely. We think one of the most important results accruing from the discussion of a resolution of this kind is to focus the attention of the people throughout the country on the absolute need for all kinds of conservation activity, whether it be in the field of conservation of the fertility of the soil, the prevention of erosion, the conservation of water resources, the conservation of our forest growth or whatever else it may be. We do feel that influencing public opinion is one of the few remaining areas of effective action that are open to us.

We believe in a private enterprise system; we fight to uphold it and to continue it, but I must point out that one of the weaknesses of the private enterprise system, at least in so far as conservation is concerned, is that when you once have alienated resources from the control of the crown you have parted with any effective action that a government can take to conserve what is there, at least without interfering unduly with what we consider to be the rights of private enterprise.

This is particularly true in the field of soil conservation because in this country we follow the practice of selling the land to private holders. Once a sale has been consummated it is practically impossible for a government to take any effective action to see that fertility is conserved. But we can focus the attention of the people upon the necessity of carrying out all kinds of conservation methods, and publicity to be obtained through a debate of this kind is one effective way of doing that job. There will have to be a great deal of educational effort. Perhaps it is in the field of education where the results of a resolution of this kind will be most felt. I am glad at this time to be able to add my voice to the voices of those who have already spoken in support of this resolution.

I should like to see action taken to initiate some form of dominion-provincial activity. Whether a conference is all that is needed is something I have not decided at the moment. I lean to the view that after a conference such as is envisioned in the resolution is called, after it has considered the whole field of conservation and has perhaps suggested some type of policy, if the work is going to be really effective there will have to be a continuing dominion-provincial commission of some sort to follow up the work. Such a commission could continue investigations and make reports to parliament on its activities every year to keep us informed and help us in turn to educate the people back home about the essential nature of the conservation work that has to be undertaken. Therefore I would suggest to the house that a joint dominion-provincial conservation commission be considered along with the conference that has been suggested in the resolution. Already there have been quite a number of demonstrations of dominion-provincial action, and effective action at that, in the conservation field. I recall being quite closely associated with one or more of them, and I should like to say a word or two in connection with the two or three that I have in mind.

In the early days of this century it came to the attention of farsighted men in western Canada that something would have to be done to preserve the watersheds on the east slope of the Rocky mountains in the province of Alberta if we were ever to conserve and control the water flow and prevent the denuding of the forests, which of course would result in the drying up of the wellsprings of the great streams that flow across the western prairies. As a consequence of the farsighted recommendations of these men about 1910 or 1911, if I remember correctly, action was taken to set up what came to be known as the Rocky mountain forest reserve. That occupied an area of somewhere between 15,000 and 17,000 square miles. The area started at the northern boundary of Waterton lakes park and extended northward along the foothills of the Rockies to the northern boundary of about the 60th township. The area is all forest.

After the setting up of the reserve in 1911, efforts were then made to prevent forest fires ravaging the timber, and to try to conserve the growth as much as possible so the watersheds would be preserved. When the resources were handed over to the province of Alberta in 1931 an effort was made to interest the federal government in some dominion-provincial arrangement for protecting the watersheds. Not much was accomplished, however, until about 1938 or 1939, when I recall having made several trips to Ottawa from Edmonton, along with certain other ministers, to talk to the federal officials. At that time we took the position that the only effective way to conserve and preserve the watersheds of the eastern slope of the Rockies was to arrange some form of joint dominion-provincial activity and agreement.

We tried our best to interest the people in the western provinces as well as those in the east in our problem, but it was not until about 1947 that other farsighted men began to see the importance of entering into a form of agreement with the province.

In 1947 the dominion government and the provincial government of Alberta set up what came to be known as the eastern Rockies forest conservation board which was given authority to administer the whole area of the east slope of the Rockies and take whatever action might be necessary to preserve watersheds, build roads, provide fire protection, provide for the cutting of the timber where it became too thick, in fact in practice all branches of conservation and preservation. The work that has been done by the joint commission has been most commendable and effective. We feel that it offers an excellent demonstration of what can be accomplished by dominion-provincial co-operation, and we are certain that the continued flow of the rivers, particularly the North Saskatchewan and the South Saskatchewan and their tributaries, depends upon the successful conservation of the eastern slope of the Rockies.

No one knows how much that sort of co-operation has meant to the western provinces, even beyond the boundaries of the province of Alberta where the conservation project lies. We feel that, by preserving the watersheds through joint action of the dominion and the province, all the western provinces are going to benefit, and I am satisfied that in due course the waters now needed so badly in the dry lands of southern Saskatchewan will be made available as a consequence of that conservation. There is one example. It seems to me that what was accomplished in that instance can be extended into other fields.

There is another example I should like to mention. Several speakers have already referred to the Prairie Farm Rehabilitation Act and what it has done. That act of course is the sole responsibility of the federal government. There is a considerable amount of co-operation with the provinces in certain phases of administration; but what we should like to see, in addition to the extension of the Prairie Farm Rehabilitation Act to cover all Canada, is a little more inclination to take the provinces into the confidence of the federal government and let them help to make policy; because anything that touches so vital a spot in the provinces as does rehabilitation and conservation ought to be of concern to the provinces, and they should have some say in the formation of policy. They could have such a say under the proposed joint commission on conservation that I have already suggested, and I believe the Prairie Farm Rehabilitation Act could be made much more workable and effective if it were considered in the light of close co-operation between the two governments.

In the field of irrigation there has been a great deal of close co-operation between the province in which I live and the dominion government. Irrrigation projects and their development in southern Alberta have meant so much to our province and its economy, in fact so much to the whole economy of Canada, that a person could talk about them for a long time. Some of these irrigation schemes have been built as joint dominion-provincial projects, the two governments sharing the costs and the province taking the full responsibility for the colonization and management of the projects after they have been built. These projects have been very successful. Irrigation, in addition to making it possible to produce things on land that otherwise would not produce very much under dry conditions, does go further and succeeds to a very great measure in conserving the fertility of the soil. In any successful irrigation district in southern Alberta you will find that the fertility of the soil is being maintained and that erosion has been cut down to a minimum. Certainly wind erosion is very small compared with what it used to be. Not only that, but the farmers are practising the most intensive forms of conservation of the fertility of the soil. I imagine that with the present form of management of those irrigated lands we can expect them to continue producing in abundance for a great many years to come.

When I was in Germany in 1948 I went down into an area near Helmstedt on the autobahn, where the autobahn crosses the border into the east zone, and I visited some farms in that area. There was one especially where I had a chance to talk to the owner of the farm, and he said that the land he was farming had been in the possession of his family for nearly 400 years. The family had quite a history, and he said the very land that he was cropping sugar beets on then had been raising sugar beets successfully since the time of Napoleon. It is still producing 15 tons to the acre per year. That seemed to me, Mr. Speaker, to be an excellent example of real conservation of the fertility of the soil. It has only been accomplished because the people who were operating the land and who owned it valued it highly enough so they have been prepared to take whatever action was possible to see that erosion did not take place, to see that the fertility was not mined out of it, and that sort of thing.

There is this to be said about the land in Germany. The government did take a real interest in it and in every way possible did impress on the people of the country the necessity of using the most up-to-date methods, machinery, fertilizer, crop rotation and other conservation aids. As my hon. friend from Lethbridge (Mr. Blackmore) says, the production of sugar beets, certainly in that instance, has been one of the best methods of conserving the fertility of the soil in that country. The same thing can be said of those areas in southern Alberta which have been producing sugar beets for as long as I can remember, and my memory goes back almost to the turn of the century. They have been raising sugar beets in southern Alberta that long, and some of those lands are still producing excellent crops of sugar beets and other things which the farmers use in their rotation program.

I merely wanted to mention that, Mr. Speaker, for the reason that wherever people can be made to see how important it is to preserve the fertility of the soil, and wherever they are given the information on which to build their programs; and at the same time wherever they are given an opportunity to produce those things which are best suited to the soil, then conservation results as a natural consequence of care in handling.

But it seems to me we are becoming pretty careless. As I understand from the debates that have been going on here since the session opened, we are letting the beet sugar industry languish. We are not doing what we should do to protect it. We are not doing what we can to see that a market with lucrative prices is there for the producers of sugar. If we allow that industry to go by default and be destroyed then, Mr. Speaker, we are deliberately taking steps to destroy the fertility of our soil; and all the conservation methods in the world which we might use would not restore it or bring it back.

Therefore I appeal to all concerned to weigh these things very, very carefully and see to it that whatever action we take as a federal government does not destroy the incentive to use care to preserve the resources with which God has blessed this great country. I would suggest by every means possible that the provincial and federal governments come to some agreement with respect to a national conservation policy in all these fields. Following the drafting of such a policy a joint dominion-provincial commission on conservation should be set up to report to this house regularly, and to make proposals for legislation that might be made effective by dominion-provincial action.

Mr. J. H. Dickey (Halifax): I am very happy, Mr. Speaker, to have been fortunate enough to catch your eye on a matter of such general interest and importance. I am sure most of the members of this house would like to have an opportunity of saying a word, and I assure you that I will not speak long enough to prevent any other member from joining in the debate. However, I do want to deal with one or two points arising out of this particular resolution.

I have not had the opportunity, Mr. Speaker, of hearing all of the interesting contributions that have been made to this debate, but I have listened with a great deal of interest to those which have been made while I have been able to be in the house this afternoon and this evening. It is quite obvious that there is unanimous agreement in this house on both the importance and the necessity of as broad a conservation program as is possible in this country.

When one looks at the variety and wealth of our natural resources, Mr. Speaker, one might think that we in Canada would be justified in having a tendency to be a little bit prodigal in our use of those resources. I am sure all will agree with me that in the past we have not been free from some grounds for complaint about the way our resources have been employed, and in some instances about a lack of thought for the future and lack of arrangements for conservation. The fact is, Mr. Speaker, that besides doing a very creditable job in the manner in which we have developed and used our natural resources, in this country we have done a very creditable job in a number of directions in the field of conservation.

It has struck me during this debate that almost every member who has spoken has referred to one or more instances of important programs of conservation which are going on in his own area or of which he has personal knowledge. The western members have spoken of the Prairie Farm Rehabilitation Act and the work that is being done under that legislation. The hon. member for Peace River (Mr. Low) who has just taken his seat has spoken of several other important matters of which he has personal knowledge. In the maritime provinces, for instance, we know of the excellent work that is being done under the Maritime Marshland Rehabilitation Act, a program which is bringing back into productive use much valuable land in the maritime provinces which had been won from the sea generations ago by the early settlers and which to a large extent had through neglect gone back to the sea. A great deal of the damage which had been done has been

repaired and those lands are going to be a source of wealth and a resource for future generations.

In saying that much has been done one should not suggest that anything more than a very good start has been made in this country in the field of conservation of all our resources, forests, soil and water. My only complaint with the wording of the resolution which is before the house is that it calls for a dominion-provincial conference on conservation. It seems to me that at this stage the responsibility of this house, and of the government, is to make sure that we have a sound and effective program of conservation in all the fields which lie in the authority and responsibility of this federal government. We should bring into effect, so far as is reasonably possible, the kind of long-term programs which we believe will carry out our responsibilities in the fields in which we are obviously responsible.

I believe the announcement in the speech from the throne at the opening of this session of the government's plans for bringing forward conservation measures indicates that this government is acting in the manner in which I think it should act. It seems to me that a resolution of this house which would indicate to the nation that an immediate dominion-provincial conference on conservation should be called is premature, and would not contribute materially to the objectives which we all have in view.

I believe one proof of the point I am making is that a good many of the members who have taken part in this debate have, as I mentioned earlier, referred to the various fields of conservation of which they have knowledge, and have indicated that in those programs there is an effective and satisfactory element of co-operation between the federal authority and the provincial authorities involved. Certainly that is true of the particular program with which I am most familiar, the maritime marshland rehabilitation program. This is a joint program between the federal authority and the provinces. The federal government has taken the initiative and has supplied the greatest part of the money, equipment and technical personnel to do this work, but it has been a fine effort of co-operation.

I submit, Mr. Speaker, that the existence of that co-operation at the present time indicates that what is needed at the moment is not the calling of a conference, but steady progress along the lines on which we are already embarked. I should think that in the years to come, when further progress has been made, it may then be advisable to consider the calling of some sort of dominion-provincial conference. But so long as there are important fields of endeavour in which we could make substantial progress, and in which we are receiving, and can be confident of continuing to receive the amount of useful co-operation that is required, I believe that it would not be necessary for this house to pass a resolution demanding the calling of a dominion-provincial conference.

Therefore, Mr. Speaker, I indicate my wholehearted support of the principle of conservation, and my belief that these objectives will be fulfilled, but indicate at the same time my criticism of this resolution in its demand for that particular type of conference at this time.

I might say, Mr. Speaker, that together with several other members of this house I had the opportunity last week of having a conference with the members of the executive of the Nova Scotia association of agriculture. This is a very active body representing the farmers of Nova Scotia, who invited the members of this house from that province to meet with them. I was one of those fortunate enough to be able to attend. At that time they presented to us a brief, to which reference was made earlier in this debate by the hon. member for Cape Breton South (Mr. Gillis). One of the important recommendations in that brief dealt with this matter of conservation. It is a matter in which they are vitally concerned, and upon which they have had a great deal of discussion. They are anxious for progress to be made in the field of conservation, and the burden of their recommendation was that their studies indicated that in other countries where conservation programs were satisfactory, so far as soil conservation was concerned, they were carried out by the Department of Agriculture.

My views are that the problems of conservation are matters with which we must cope, and the only kind of action any sensible person can wish to have is effective action. I am sure this government will study the problems of bringing effective action to bear on the matter of soil conservation, the conservation of water and forest resources, and if it is found that the only effective and sensible way in which this matter can be dealt with is under the Department of Agriculture, then it will be done in that way. My study of the problem has not been sufficient to convince me just what the proper answer is, but I can assure all those in my province who are interested in the matter that it will receive the most careful attention, and that any proposals that are put forward will be formulated on the basis of a sincere and carefully thought out policy intended to achieve the objectives which we all have in

view with the greatest possible speed, and with due regard to efficiency and economy.

Right Hon. L. S. St. Laurent (Prime Minister): I believe it is safe to say that all members of this house have welcomed this debate. From time to time it is refreshing to get away from the problems of the troubled world to give some attention to the position of our people at home, and to the future of this country. I think we are all optimistic about that. We know that we have a very large country. We know that it is a country that has been very bountifully endowed with natural resources, and we know that we have a position that is being recognized in the world today although there are only 14 million of us here at the moment. But that does not mean that this nation is going to remain a nation of 14 million people. In 1901 we had a population of 5¼ million. I will not be here to register my surprise, but I would venture the prediction that those who know what is going on in Canada at the present time will be disappointed if by the census of 2001 there are not 35 or 40 million people in this country. There is room for them and for a lot more. There is wealth for them and for a lot more, still undeveloped. But we must be careful and see that it is properly conserved, so that when our grandchildren, our great grandchildren and their grandchildren are members of a nation of many more millions than there are in this country at the present time there will still be enough of these natural resources to enable them to enjoy the kind of life we in this country can enjoy when the world is at peace.

I have been concerned with some of the publications that the hon. member for Kootenay West (Mr. Herridge) referred to and of which I took note. There is one more that I would call to his attention, a very interesting book published in the course of last summer by a forestry engineer of Quebec, Mr. Thomas Maher, entitled "Land of Milk and Honey or Wilderness of Cain". There are some parts of it with which I do not agree, but there are useful lessons one can learn from perusing it attentively.

We have made some mistakes; we have some abandoned farms; we have some places that might be in a different condition if other or somewhat different methods had been adopted in respect of them, but these are rather local problems. On the over-all picture we are not doing too badly. Last August I went up to lake St. John in the province of Quebec. There is a company up there marketing aluminum metal at the rate of $150 million worth a year, and all of our natural resources that are going into it are Canadian labour and electricity produced by the running water of our Canadian streams.

Then I went out to the west coast and stopped off at Trail. It will be recalled that 25 years ago there was an international dispute over the damage which farmers of the adjoining state of Washington, I think it is, claimed was caused to the vegetation in their state by the obnoxious fumes from the chimneys of the Consolidated Mining and Smelting Company. There are no scars to show damage to any vegetation at the present time. Things grow out there, and they grow fast, and all traces of damage caused in that period have now disappeared. Since then those fumes have been applied to phosphate rock brought in from Montana, and the combination of the obnoxious fumes and the phosphate rock is $25 million worth of fertilizer a year; and every ton of that fertilizer, under normal growing conditions, means twelve additional tons of cereal crops.

Then I had the privilege of spending several hours each day for five days in the air over the mainland and over the island of Vancouver. I was tremendously impressed by the density and extent of the forest wealth of that Pacific coast, and rather felt that in spite of the large lumbering operations that have been carried on out there for so many years, and are still being carried on, we are not making any very great inroads into the forest wealth of that west coast. Perhaps my impression was somewhat strengthened by the fact that they were just about to open a $40 million pulp and paper plant at Campbell River where they are going to use nothing but refuse, sawdust, edgings, things that before were thrown away. That is an example of an improvement in our methods. We were wasteful, I think, in not making use of these things before, but we are getting over that.

Then I flew over to Edmonton and saw the tremendous progress that is being made on the petro-chemical plant. They are going to use waste there, too. I understand that before crude oil is used it has to go through refineries, and in the refining process there are some elements that do not go into the oil that is marketable. I had seen that in Sarnia, where there is a refinery where the waste goes from the oil refinery to the Polymer Corporation to make rubber, and that portion of the elements of that waste that is not taken to make the rubber goes over to the Dow Chemical Company for plastics and other commodities. Nothing is wasted but the little smell that you notice in the atmosphere. These are some of the things that are being done, and they rather convince

one that we are becoming more careful, and that general conservation methods are being applied.

Of course when you come to deal with any specific item of natural resources you find that is something that belongs to the provinces and about which they are very jealous. The Leader of the Opposition (Mr. Drew), when he was premier of Ontario, attended a dominion-provincial conference here and I remember—and I just looked it up to see how correct my memory was—that he enumerated the responsibilities of the provinces and what the provinces were doing, and the trained forces of civil servants they had built up to do that. I have no doubt that he remembers it, too. It is to be found on page 589 of the proceedings of the conference of 1945. After enumerating some other things he had this to say about natural resources:

> Ours is the responsibility for the development of the vast resources which made production possible in this country during the war. Nothing that the dominion government did, nor has been called upon to do in the past in the way of technical development, laid the foundation for that huge production from the natural resources. That was the result of the development and supervision of these resources by the provincial governments throughout the years.

He described other provincial responsibilities, and went on to say:

> I have only touched a part of the field that, until the compact of confederation is torn to pieces—and I too use the word compact—must be the responsibility of the provinces. Until the compact of confederation is torn to pieces, and please God it never will be, but until that is done, if these things are to be done at all they must be done by the provincial government. And to do these things, since long before confederation, the provincial governments have been building up skilled, highly trained and unselfish civil service organizations to carry out these great public responsibilities.

Well, here I rather shy away from using the expression "national policy" in connection with things of that kind. There are people who think that, when you use the term "national policy", there is some way in which the central authority is going to reach out and try to draw to itself some of the provincial jurisdiction. We do not want to do that. We want to have this country continue under the constitution that was set up, and we do want to co-operate with the provinces. There have been many declarations in the course of this debate of the extent to which this co-operation is working to the advantage of the whole Canadian public at the present time. There is on the order paper now a resolution to have enabling legislation which would permit the dominion government to co-operate and collaborate with the provinces in connection with the conservation of water resources. There is the Prairie Farm Rehabilitation Act, which has provided a method whereby there was co-operation between the central and provincial governments on smaller, more localized projects.

Well, we want to create an atmosphere that will remove this fear that there is any attempt by the central government, whatever party may be in power, to reach out and take away from provincial administrations the responsibilities and jurisdiction which, by the constitution, are theirs.

I have not quite the same misgivings as the hon. member for Halifax (Mr. Dickey) about the terms of this resolution. It asks that we consider calling a dominion-provincial conference to bring about a greater degree of collaboration and co-operation. Well, we are quite prepared to consider that. But we do not think it would be apt to produce very great results to do it right away or to do it on any wide scale. Let us continue to demonstrate, by the co-operation that will be taking place, that there are no ulterior motives in doing it, and that it is merely a genuine desire of Canadian citizens, to whatever administration they belong, to help the Canadian people of this generation discharge the responsibility they have to Canadian people of future generations to see that the resources of this country are not depleted, but are maintained, and will be available to be used by them, and will have increased productivity as the size of our population increases.

I think we can accept this recommendation that consideration be given to that. But I am sure the hon. member for Kootenay West (Mr. Herridge) would himself agree that it would be better to have the house give consideration to this enabling provision, so that when we have a conference with them we can say to them, "The Canadian parliament has authorized us to go thus far with you to help you take the proper measures for the conservation of water resources".

I fully agree with the hon. member for Dufferin-Simcoe (Mr. Rowe) that the conservation of water resources depends upon proper forest cover over a large part of the soil of Canada. The hon. member said this was an industry that contributed largely to the federal exchequer; but it is also the property of the provincial governments and makes very substantial contributions to the revenues of those provincial governments. I am sure they are very jealous of their control over the policies that are to be in force and carried on.

The hon. member has had much more experience than I with what is going on in that connection; but I think we would both

feel that the provincial governments have been doing very well, and that they have been enacting and administering pretty wise legislation for the proper management of their property, their forests on which they grant cutting rights, evidently renewable but cutting rights, only. The hon. member said that this goes on. I know that up in the lake St. John district, where I was, it has been going on now for a century, and that there are now growths that are better and more productive than the first that were taken off those same lands.

That is something that is progressive. We do not find in one year, or even in one decade, the situation they have in Sweden. It is the result of experience, and experience means trial and error. Some mistakes are made. Mistakes are corrected. You add one satisfactory experience to another satisfactory experience.

On the whole I think the warnings given by those who have written about the depletion of our resources are good and healthy warnings; but they must not induce too deep a pessimism in any of us. Because I do think that, given peace in our days, the management of the resources of this country is going to be sufficiently wise to enable us to look forward to a very substantial increase in population, without feeling that there are not going to be enough of those resources available for those generations to exploit and pass on to the generation that will follow them.

Once again, to all those who have taken part in this debate I hope I may, without sounding at all impertinent, offer congratulations, even thanks. I do so because I think it is a good thing from time to time in this troubled world, with all the international problems we worry about, to give some thought and attention to the brighter side of the picture, and to quicken somewhat that desire we have to do what appears to be necessary as our part toward preserving peace in our day, so that the conservation policies being applied and developed, and which should be expanded, will be productive of those results for the future generations which so many of us say, and so often, seem to have been in the designs of Providence for the people of Canada.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, I had not intended taking part in this debate, but some of the things said have made me feel that perhaps one more matter should be brought to the attention of the house and country.

It has been conveyed to me, on what I consider good authority, that about the only way we can be really sure of retaining the fertility of the soil is through having introduced into the soil from time to time organic matter from animals. I have been told that one may put fertilizers—nitrates, phosphates, and the rest of them—on the soil, and probably force a crop, but that ultimately soil bacteria will play a part which we must not overlook in the retention of soil fertility.

Having laid down this general principle, which I believe to be sound, I would draw the attention of the house and country once again to what I consider a dangerous trend in this nation in respect of the dairy industry. I am afraid we are neglecting that industry in a way which will probably cast upon us a certain amount of reflection in the minds of those who succeed us. People these days are so anxious to save five cents—practically all of us are that way—that they are ready to use margarine freely rather than pay additional money for butter. By reason of that fact it looks as though our dairy industry is going to suffer seriously. There are signs that this result has occurred and is occurring to a greater degree.

It has been brought to my attention that notwithstanding the introduction of margarine there are more dairy stock in Canada per capita than we had before we started using margarine. I am not just sure what may be the significance of that fact. It may be that the outbreak of foot-and-mouth disease and certain other factors have entered into the matter, but if we continue to use the products of vegetable oils instead of butter I cannot see how our dairying industry can be maintained in the healthy condition it was in before we began using margarine and vegetable oils so freely.

I am quite sure that nearly everybody wishes he knew the solution. I am not prepared to suggest what is the solution. I believe that two provinces in our nation have forbidden the use of margarine. I am not quite ready to agree with what they have done, though it may be found in the long run that they have been wise in their decision. It has been suggested that subsidies be paid to help the dairy industry. I have not given the matter sufficient study and thought to be able to feel competent to make any recommendation in that respect.

But I do make this observation once more, that we in Canada should most earnestly study ways and means whereby we can have a greater number of dairy cows. It must be borne in mind that it will be quite impossible to conserve the fertility of our soil for future generations, as the Prime Minister (Mr. St. Laurent) has so admirably expressed it, unless we have a large number of livestock on our farms.

Conservation

As a minor illustration of how serious this may be may I say that I suppose most hon. members have lived in a time when horses instead of tractors were used on our farms. Everyone knows that by the use of horses we were returning fertility to the soil in several ways. But now we no longer use horses as formerly and as a consequence that amount of fertility is not being returned to the soil. We operate barren tractors today, and the only thing that goes on the land is some burned oil which is more likely to impair the effectiveness of soil bacteria, or even destroy them, than to help them.

We cannot afford to fail to take cognizance of all these facts as we contemplate a policy for conserving the fertility of the soil. I feel that I have made my contribution, and it is this: we simply must give more attention to the preservation of our dairy industry.

On motion of Mr. Hodgson the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will proceed with the resolution to set up a committee to examine national defence expenditures. We will then take up the resolutions and bills standing in the name of the Minister of Justice.

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

HOUSE OF COMMONS

Tuesday, January 13, 1953

The house met at 2.30 p.m.

BUSINESS OF THE HOUSE

PROCEDURE ON TUESDAYS AND FRIDAYS ON PRIVATE AND PUBLIC BILLS

Mr. Speaker: Perhaps I should remind the house at this time that at the last session standing order 15 was amended. In previous sessions private and public bills have been called between 8 and 9 o'clock on Tuesdays and Fridays. Under the amendment, private and public bills are called between 5 and 6 o'clock on Tuesdays and Fridays.

FAIR EMPLOYMENT PRACTICES

MEASURE TO PREVENT DISCRIMINATION ON GROUNDS OF RACE, NATIONAL ORIGIN, COLOUR OR RELIGION

Hon. Milton F. Gregg (Minister of Labour) moved for leave to introduce Bill No. 100, to prevent discrimination in regard to employment and membership in trade unions by reason of race, national origin, colour or religion.

Motion agreed to and bill read the first time.

CRIMINAL CODE

REVISION AND AMENDMENT OF EXISTING STATUTE

Hon. Stuart S. Garson (Minister of Justice) moved the first reading of Bill No. 93 (from the Senate), respecting the criminal law.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 94, for the relief of Jane Louttit Dormer.—Mr. Winkler.

Bill No. 95, for the relief of Roger Loiselle. —Mr. Winkler.

Bill No. 96, for the relief of William Oscar Gilbert.—Mr. Winkler.

Bill No. 97, for the relief of George Magner. —Mr. Winkler.

Bill No. 98, for the relief of Teodora Szablity Szentirmai.—Mr. Winkler.

Bill No. 99, for the relief of Arthur Piche.— Mr. Winkler.

68108—59½

DEFENCE EXPENDITURE

APPOINTMENT OF SPECIAL COMMITTEE

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

That a select committee be appointed to continue the examination of all expenditure of public moneys for national defence and all commitments for expenditure for national defence since March 31, 1950, and to report from time to time their observations and opinions thereon, and in particular, what, if any, economies consistent with the execution of the policy decided by the government may be effected therein, with power to send for persons, papers and records and to examine witnesses; and that notwithstanding standing order 65, the committee shall consist of twenty-six members to be designated by the house at a later date.

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, as I was away attending the meetings of the North Atlantic treaty council when the Currie report was presented to this house and discussed on December 15, 16 and 17 I feel that it would be the wish of hon. members, and indeed of others throughout the country, in view of the wide interest attached to this important document, that I should take advantage of the first opportunity of dealing with it on the motion to set up this committee and in the course of my remarks to indicate in support of the Prime Minister (Mr. St. Laurent) the reasons why I believe this report should receive the consideration of that committee, if and when it is set up.

In the debate which took place between December 15 when the Currie report was tabled and the Christmas adjournment on December 17, reference was also made to a number of other matters relating to national defence about which I may have something to say on another occasion. But today I intend to confine what I have to say to the Currie report itself and to matters relevant to it.

Before entering into this subject I should like if I may to make a personal reference. For the affairs of the Department of National Defence and the three armed services of Canada I am responsible under the statute under which I was appointed. I have accepted and have endeavoured to discharge that responsibility to the best of my ability. I have no intention of trying to dodge that responsibility. There has not been and there will not be any effort made to find a scapegoat. When we found that there had been wrongdoing, we laid prosecutions. When it appeared, as I said in the house on April 21, that there had been "grave irregularities", I

appointed Mr. Currie to investigate the causes and to suggest some means to prevent their recurrence.

As he says, in the investigation he was given every facility. He made his report and by the time we had received it action had already been taken which anticipated the majority of his recommendations. The report shows that a good system of accounting had been worked out, approved and adopted, but was not carried fully into effect. No government department, no commercial enterprise, no large-scale undertaking can be perfect. In an operation of the magnitude of the expansion of the defence effort of Canada there are bound to be mistakes, just as by the law of averages there are bound to be some thefts and some fires. We have had these in the past and most certainly we will have them in the future. As I said in the house in 1947:

> While much progress has been made, no one appreciates more than myself that there is still a lot of work to be done in reorganization before we can provide a proper organizational and administrative basis for the defence forces that we may have in the future.

Perhaps I have been overenthusiastic in the defence of the armed forces against what I felt to be unjustified charges, and sometimes I may have been overoptimistic; but it is pretty hard to work with the armed forces of Canada without having high admiration for their fine record of achievement and without having faith in their capacity to do what is expected of them.

When things happened which were wrong and when they were brought to my attention I tried to take whatever action appeared to be most likely to put matters right. As long as I have the responsibility of speaking in this house for the armed forces of Canada I shall try to deal promptly with wrongdoing and to correct situations that need correction; but I am not going to blame others for shortcomings unless I am satisfied that they are responsible for them.

Some confusion has arisen regarding the handling of the report itself. First of all, let me emphasize, as the Prime Minister and the Solicitor General (Mr. Campney) have done, that there was only one report, and that is the report signed by Mr. Currie himself. He did not make any other report. There was no interim report.

The only report Mr. Currie made was the report he signed. That was given to the deputy minister of national defence on Monday, December 8. Unfortunately, the fact that the signed report was dated November 26 seems to have given rise to some confusion. However, no copy of the signed report was received by the Department of National Defence prior to December 8, 1952.

Here I should point out that throughout this whole investigation Mr. Currie and those associated with him worked closely with the department and the army. Mr. Currie referred to "the ready and full co-operation" accorded to him. I am sure that he would be the first to say that a large part of the information he and his associates received came from the department and the army works services.

As regards the presentation of the report, most of the information I have was given to me by the deputy minister of national defence, Mr. C. M. Drury.

From time to time Mr. Currie's representatives, and on two occasions Mr. Currie himself, discussed with Mr. Drury the form in which the irregularities at Petawawa would be presented in the report. I believe that this was back in September or October. Mr. Davey, an associate of Mr. Currie who had been doing a large part of the investigational work, indicated to Mr. Drury that he proposed to list extracts from the R.C.M.P. files, attributing to the R.C.M.P. the information so given.

Mr. Drury was concerned as to how such information was to be handled, and this for several reasons. Its appearance might be taken to prejudice the criminal or military cases which were still pending. It might damage innocent persons, and it might compromise other police investigations. Mr. Davey showed Mr. Drury a typewritten draft showing the form in which it was proposed to present this information. Mr. Drury pointed out that the publication of R.C.M.P. investigation reports was something that the department had always endeavoured to avoid. These reports were confidential, and if they were not treated as such future police investigations might be hampered. Mr. Davey undertook to have consideration given to changing the form of presentation.

In a later discussion Mr. Davey said that changes had been made and Mr. Drury suggested to Mr. Davey that he might have a look at the revised form of presentation of the irregularities. Mr. Davey said that this was now embodied in the draft of the whole report and it was not Mr. Currie's intention that anyone review the draft before presentation of the report. Mr. Drury reported this conversation to me. I told Mr. Drury that in the interests of Mr. Currie, as well as of the department and the army, it would be desirable that the report should be as factually accurate as possible, and I thought

that he might suggest to Mr. Currie that he let him see a draft of the report to check it for factual errors.

Mr. Diefenbaker: What date was that?

Mr. Claxton: This would be about the 25th or 26th of November. Mr. Currie of course was perfectly free to follow that course or not as he wished. As he himself says in the letter to me of December 29:

> On the 26th November, before the checking and final consideration had been completed by me here, Mr. Drury, the deputy minister, called on the telephone from Ottawa. During his telephone conversation with me, Mr. Drury mentioned the minister and went on to intimate to me that it seemed desirable that the final text of the intended report be submitted to him (before the report was actually signed and delivered) in order that purely factual matters dealt with in the report could be verified as to their accuracy. I gathered that his reason for this was that in such connection there had been instances in the Mainguy report where purely factual matters of this nature had not been properly dealt with.
>
> While, during this conversation with Mr. Drury, I expressed some disinclination to follow such a course, the upshot was that it was understood that I would submit to him one of the two print reproduction copies above referred to, but solely for the purpose of enabling verification of factual matters and data dealt with in the report as so formulated. I decided that I would ask my partner, Mr. Cleary, to personally deliver the said copy to the deputy minister. I called Mr. Cleary, who was in Ottawa, and described the situation to him. That afternoon I had one of the two print reproduction copies which I had received from the printer mailed to Mr. Cleary, who, on the following day, the 27th November, delivered it in person to the deputy minister.

On Monday, December 1, Mr. Drury met Mr. Cleary, another of Mr. Currie's associates, and Mr. Davey, as has already been outlined by the Prime Minister (Mr. St. Laurent). As a result Mr. Currie made some minor changes, signed the report and forwarded it to the deputy minister under cover of the letter dated December 8.

It has been suggested in the house that it was wrong for anyone in the department to look first at the draft of the report, and the hon. member for Vancouver East (Mr. MacInnis), who is generally very fair, has even suggested in a radio broadcast that Mr. Currie should perhaps be blamed for showing the draft to the deputy minister. I cannot see anything wrong in what was done. I think that the suggestion that it was wrong arises from a misconception of what Mr. Currie was asked to do and what he was doing. Mr. Currie was not carrying on a criminal investigation. That was being done by the R.C.M.P., the army provost corps, and the Department of Justice. Mr. Currie was not investigating the Department of National Defence, and he was not investigating the Minister of National Defence.

As Minister of National Defence I had asked Mr. Currie to make an investigation for me of the causes of a bad situation which had been found at Petawawa and to recommend to me how that bad situation could be cleared up. I was afraid the bad situation might be more widespread in the army works services, and that is why I asked Mr. Currie to look at that whole branch of the army right across Canada. I wanted the truth and I wanted the kind of report which nobody would question. I did not want errors of fact anywhere in the report which might discredit the whole report and make it more difficult to implement any recommendations it might make to improve the situation.

I am glad, and I am sure the house is glad, that Mr. Currie accepted Mr. Drury's correction and took out the reference to the soldier who had been accused of stealing materials and using army labour to build a cottage because that soldier had already been acquitted in the courts and it would have been unfortunate to have done him the injustice of leaving in that reference. I am sorry the report contained the reference to the Canadian National rails which turned out not to be there, and I am sorry it contained the reference to the horses, though I am glad they were not on the payroll.

At the same time I can understand why Mr. Currie did not consider it necessary to check the irregularities at Petawawa very carefully. He was not carrying on the criminal investigation. He had another job altogether, to find the causes and recommend means of preventing their recurrence. That is what the report is supposed to be about. I am glad, and I know other hon. members are glad, that Mr. Currie found no new evidence of extensive irregularities and that he felt justified in cautioning us not to blame the whole army works services for the conduct of a "handful of crooks".

I still believe that the report would be a better report if these errors of fact I have mentioned, and a number of others, had not been left in it. That was what I wanted to have prevented when I told Mr. Drury that he might suggest to Mr. Currie that a final check be made for errors of fact. Of course it was up to Mr. Currie to decide whether to have that check made, and he did decide to do so, and he did make a few changes. But they were made on his own responsibility, and Mr. Drury did not even know which of them had been made until he received the signed report on December 8.

Like other hon. members, I was astonished to find that another copy of the draft, apparently a duplicate of the copy shown to Mr. Drury,

had got into the hands of the hon. member for Rosetown-Biggar (Mr. Coldwell) and had been referred to by the hon. member for Winnipeg North Centre (Mr. Knowles) in the house on December 15. This copy was seen by the Prime Minister and the Solicitor General (Mr. Campney) I believe on the same day. It appeared to be an exact duplicate of the report itself except that in the latter some pages had been reprinted.

The only copy of the draft received by the Department of National Defence was the copy handed to the deputy minister on November 27. That copy was returned to Mr. Currie's representative on December 8 at the same time that the signed report was presented. Consequently the draft in the hands of the hon. member for Winnipeg North Centre could not have reached him from the Department of National Defence. As the release to unauthorized persons of a draft of a report of this character is a matter of great concern, I wrote Mr. Currie a letter on December 22, 1952, and received from him replies dated December 24 and December 29, 1952. I wrote Mr. Currie again on January 2, 1953, and received from him a letter dated January 7, 1953. I also wrote the hon. member for Winnipeg North Centre asking if Mr. Currie could see the copy of the draft received from the hon. member for Rosetown-Biggar, and I received a reply dated January 5, 1953. Meanwhile one of Mr. Currie's associates examined the copy of the draft given to the hon. member for Rosetown-Biggar and examination made it plain that this copy was in fact one of the drafts prepared by Mr. Currie's printer. Mr. Currie wrote me to this effect in his letter of January 7, 1953. In the concluding paragraph of that letter Mr. Currie said:

> Everything which I have done by way of inquiry and investigation negatives the possibility that the copy in question could have got out in any stage or step between the printer's shop and my own organization and the department; but I still, of course, welcome any further investigation which the department or any other authority may deem it expedient to make from any angle or direction.

Mr. Diefenbaker: Would the minister put that entire exchange of letters into the records?

Mr. Claxton: I would be glad to do so.

While the explanation as to how a copy got into unauthorized hands was the responsibility of Mr. Currie and remains his responsibility, it seemed to me and it seemed to the Minister of Justice (Mr. Garson) that the theft or other improper act by which the copy got into unauthorized hands was of such a general concern that it should be followed up and the R. C. M. P. were accordingly instructed to investigate and report.

[Mr. Claxton.]

Some hon. Members: Hear, hear.

Mr. Claxton: On January 8 I wrote the hon. member for Rosetown-Biggar and on January 9 I telegraphed Mr. Currie to that effect. To these messages I received a reply from Mr. Coldwell dated January 10, 1953. If I have leave of the house I would now like to table all of the correspondence to which I have referred. I may say that, whether it was necessary or not, I have asked Mr. Currie and the hon. gentleman if they had any objection and they said they saw none.

Mr. Knowles: Do I take it that you mean they will be reproduced in *Hansard*?

Mr. Claxton: Is that necessary?

An hon. Member: It should be on *Hansard.*

Mr. Claxton: As an appendix to *Hansard.*

Mr. Speaker: Do I understand that these letters are to appear in *Hansard* or in *Votes and Proceedings?*

Some hon. Members: In *Hansard.*

Mr. St. Laurent: As an appendix to *Hansard.*

Some hon. Members: Agreed.

(For text of correspondence, see appendix, pages 974-978.)

Mr. Claxton: Mr. Currie has since been in communication with me about the investigation which is still proceeding and about which it is not possible to make a further report at this time.

During the spring and summer of 1951, the Canadian Provost Corps was engaged in investigations at Petawawa military camp and during the same period, as a result of inspections carried out by the chief auditor and the inspector of quartermaster services, deficiencies were found at Petawawa indicating the need for increased supervision. At that time there was no evidence of any criminal act requiring prosecution.

On October 12, 1951, the anonymous letter referred to in the Currie report was received by the R.C.M.P. at Ottawa. There is nothing unusual about this—as everyone knows, a large proportion of crimes are reported and solved in consequence of tip-offs. The letter was forwarded to headquarters central command on October 16, 1951, and as a result, on October 29, 1951, the R.C.M.P. were requested by the deputy minister of national defence to carry out a complete investigation. This investigation was carried out in conjunction with the Canadian Provost Corps. It was commenced immediately and pushed through as rapidly as possible.

During this period no less than thirty-seven major construction projects were being carried out at Petawawa by employees of twenty-four different contracting firms. Anyone with any experience knows how difficult it is to enforce security over building supplies or the disposal of scrap in those circumstances. To be effective the investigation had to be carried on as secretly as possible. Moreover, as the alleged operations had extended over a considerable period, some officers and men had been posted to other units and the investigation had to be carried on at a number of different places across Canada, including Halifax, Vancouver and Churchill.

Those investigations indicated that some service officers and men and civilians had conspired together to commit a number of thefts and frauds in connection with the disposal of stores and with other operations going on at the camp. By March 10, 1952, the investigation had proceeded to the stage where prosecutions could be laid. A detailed summary of the reports of the R.C.M.P. and the provost corps was put before me. The thoroughness of the investigation can be judged by the results of the prosecutions and from the fact that neither in the court proceedings nor in the Currie report was any substantial additional information disclosed.

Mr. J. W. Pickup, Q.C., was engaged as special counsel and, on his appointment as Chief Justice of Ontario, he was replaced by another distinguished counsel, Mr. T. N. Phelan, Q.C. Five service personnel and ten civilians were prosecuted in the civil courts. Four service personnel and eight civilians were convicted.

The first prosecution was that of Staff Sergeant Young and it began with his arrest on May 13, 1952. The cases were pressed on with all possible expedition and despite intervention of the two months in the summer when the court did not sit all cases and appeals were disposed of by Monday, December 1, when the last case was dealt with in the military courts.

In addition to giving instructions that prosecutions might be laid, consideration was from day to day being given to the steps that should be taken to follow up disclosures made in the police investigation. The result was my appointment of Mr. Currie to make an investigation and report. In the telegram dated April 21, 1952, which already appears on *Hansard* of that day, Mr. Currie was asked to determine the causes and make recommendations to prevent a recurrence of the irregularities that occurred at Petawawa. His recommendations are contained in parts II, III and IV of his report. They contain many constructive recommendations with which I will deal later.

It has been suggested that reading the report from the end rather than from the beginning makes a very different impression. However, most people started, as one would expect, at page 1 and I am afraid that a good many of them stopped when they came to the horses. The first point I want to emphasize is that Mr. Currie says in his report that it was only at Petawawa that extensive irregularities over a long period of time took place. Now, Mr. Currie does not say in his report that he discovered any of the irregularities at Petawawa. Most of the irregularities there had already been discovered and that is the reason Mr. Currie was asked to make his investigation, and, in the words of my telegram, "to determine the causes and make recommendations to prevent a recurrence".

Since most of the irregularities referred to in this part of my report were already known to the department, and steps had been taken to deal with them before the investigation began, it would scarcely be necessary to mention them at all if they were not referred to in the report.

So far as I can discover the summary of nineteen cases given in the report was largely derived from confidential police reports to which, of course, Mr. Currie had access.

The Prime Minister gave the house on December 17 the information he had received from the deputy minister to the effect that page 7 of the draft had contained a paragraph stating that an army corporal had had a cottage built valued at $1,700 out of army materials and army labour for which no reimbursement had been received, or words to that effect.

Mr. Drury pointed out that this soldier had been already acquitted and consequently, as I have mentioned to the house, that passage in the draft was omitted in the report.

Yesterday the Prime Minister dealt with the question of horses. Now, there are a number of other cases in which the account given by Mr. Currie is not fully in accordance with the facts as they have been established in the course of our further investigation or in the courts. However, there is included among these examples of irregularities one statement about which I think I should say something, and that is the reference to the dam.

As the report has it, "a dam was built on Tucker creek at a cost estimated at some $3,000 or $4,000. Its utility is not clear to me and it was in any event not authorized by

army headquarters". That is Mr. Currie's reference to this instance in his report. According to the information furnished to me by the chief of the general staff, the dam was built as a training exercise to create a source of water to fight fires. This dam was built on Tucker creek, which is a creek of roughly 15 feet to 20 feet in width, and during the summer it dwindles to a very small trickle. It happens that it runs at the western end of one of the target area ranges where live ammunition may cause fires. The closest other source of water is two and a half miles away. Tucker creek would provide a source of water for fire fighting, provided enough water is stored to permit mobile pumps to be used.

The construction of a dam there was advocated as far back as 1927, and again in 1931-32. Early in 1949 a dam was constructed there out of logs and earth with sand bags, but it washed out during the spring freshets in 1950. The following year, as a training exercise for the pioneers of the Royal Canadian Regiment and to build up a reservoir of water for fire fighting purposes, the area commander, with the approval of the general officer commanding central command at the time, had the dam rebuilt of cement. The cost of materials and civilian labour was about $2,000.

This project involved the restoration of the dam which had been washed out by floods. Now, under the regulations applicable at the time, such projects costing not more than $5,000 could be approved by the area or general officer commanding. That is the information given to me by the chief of the general staff.

These, and other cases mentioned by Mr. Currie, are the kind of thing that could be gone into further by the committee, if that is its desire. In the department, and in the army, we want to see that everything is done that can be done to discipline those who have been at fault, and so far as is humanly possible to prevent a recurrence. If I do not refer to the other cases at Petawawa, I hope that no one is going to say that I think what took place at Petawawa is not serious. After all, I do happen to be the person who, on April 21, informed the house that there were grave irregularities. I was also the one who took the view that the situation required a thorough investigation, who had an investigation made, and who had the result made immediately public.

I now turn to the constructive part of Mr. Currie's report, his recommendations as to what could be done to improve the situation in the army works services. It seems to me, in all fairness, we should put the report and its recommendations in proper perspective, and relate them to the problems and difficulties which the department, the army and the army works services particularly have encountered since the termination of the second world war—facts which are well known to everyone. I should like also to draw attention to some very important differences between the Department of National Defence and other government departments or indeed the work of the Department of National Defence and any civilian activity. These differences result from our form of government, as well as from the nature of the defence operations. They exist in every democratic country.

In other government departments there is a single line, a straight line of responsibility proceeding from the minister, usually through the deputy minister, to all the employees and agencies of the department. In defence, in addition to this chain of responsibilities on the civilian side, there is also the chain of command and the chain of responsibility on the service side. Since the new defence act came into effect in 1950 the service chief heads his service, and each service chief is responsible to the minister for the control and administration of the service. So far as service operations are concerned, each of the services is under the direct control of the chief of staff, who is responsible to the minister—subject, of course, to the scrutiny—and where required the action—of the deputy minister, particularly in matters of estimates, appropriations, financial control and accounting.

Now, let me point to another fact in the organization of the Canadian army which has some importance. The Canadian army, as is the case in most countries, is divided into corps. There are fourteen in all, and they include armour, infantry, signallers, etc. One of the corps is the Royal Canadian Engineers. The engineers, in turn, have two components, the field units which do the engineering work in the field and the army works services which have to do with accommodation and services at static establishments. The Currie report has, of course, to do with this latter branch, that is the army works services and this branch only.

In 1946, the army works services comprised twenty-nine works companies and detachments. The service was reorganized in 1948 into sixteen works companies comprising thirty-three major works detachments across the country extending ultimately from Newfoundland to Vancouver, north to Whitehorse and the Yukon and into the Northwest Territories and the Arctic. The responsibility of the army works services includes: (a) providing buildings for the active and reserve forces,

whether by way of construction, purchase, lease or the renovation of existing buildings; (b) works for defence training and operations; (c) custody and care of army lands and buildings; (d) maintenance of buildings, training facilities and utilities; (e) operation of water, sewage and electric plants; (f) fire prevention and fire fighting services; (g) preparation of designs and specifications for buildings and other services; (h) planning of buildings and services required for mobilization; (i) handling of salvage for renovation or disposal—and that for all corps in the Canadian army.

The operations of works services from 1946 on extended to all the property the Canadian army had acquired before or during the second world war. This property was located in every part of Canada, and it was in every kind of condition. The buildings and installations constructed in wartime, which were being retained, were deteriorating rapidly. Most of them were designed to have a life of about five years. The army works services were responsible for the custody and maintenance or the renovation or disposal of all of this property.

An additional responsibility was placed upon the army works services with the decision to create "emergency married quarters", and between 1946 and 1948 a total of 4,500 of these were provided through the army works services. During this time too the Alaska highway was taken over from the United States army and the Royal Canadian Engineers army works services had to assume responsibility for its upkeep. The highway covers a distance of 1,250 miles to be kept open twenty-four hours a day the year round. Many of its bridges and culverts, etc., had to be replaced. For each year from 1946 to 1949 the program for the acquisition, construction and maintenance of army property amounted to approximately $20 million. That is the financial measure of the scope of the operations of the army works services during that period. For 1952-53 the program for the same purposes was in excess of $250 million, or more than ten times as much. The strength in 1949-50 was 806 service personnel and 2,936 civilian personnel and in 1951-52 it was 765 service personnel and 3,334 civilian personnel. Hon. members will observe how the civilian personnel outnumbered the service personnel in both years by three to one, or more. With this relatively small increase in personnel the army works services had to carry on the following operations:

(1) Continue their ordinary peacetime activities of maintaining existing active and reserve buildings and services;

(2) Continue to handle large stocks of surplus from the second world war;

(3) Supply personnel for the 25th brigade in Korea and the 27th brigade in Germany;

(4) Provide services to meet the additional needs of the army due to its increase from the figure of 20,300 before Korea to a figure of 49,800 two years later;

(5) Provide training facilities; and

(6) Have to do with the addition of buildings and permanent services such as roads, sewers, lights, etc., totalling in contracts placed or works undertaken, in the two calendar years subsequent to Korea, the sum of $125,283,905. This amount was represented in no less than 285 different construction contracts, and an estimated 4,100 additional projects involving a total of 7,268 buildings. Heavy as was the burden placed on all branches of the armed forces, it is fair to say that the outbreak of the Korean war placed on the army works services one of the heaviest burdens of the subsequent expansion.

Let us now direct our attention to the accounting system used by the army works services and which Mr. Currie calls a good one. Late in 1947 the quartermaster general decided that a system of cost accounting should be introduced into the army works services. In response to his invitation, a senior officer of the quartermaster corps of the United States army came to Ottawa to give the benefit of his advice. Shortly afterwards an officer of the directorate of works and accommodation was sent to Montreal to discuss cost accounting systems with Anglin-Norcross Limited and the Foundation Company of Canada Limited. This officer was then sent to Washington to study in detail the system of cost accounting used by the United States army corps of engineers.

As a result of this study, it was decided that a modification of the system employed by the United States army corps of engineers would most nearly fit the needs of the army works services and work was put in hand to prepare the details of a system for introduction into the army works services. The new system was developed and introduced in the army works services in 1949.

At about the same time, the British and Australians also studied the United States army corps of engineers cost accounting system and we believe that they are introducing similar systems into their own army works services.

This cost accounting system had the following main objectives: (a) accounting for materials and supplies; (b) job costing; (c) real property records; (d) installed engineer fixture records; (e) work feature cost accounts.

This system was approved in April, 1949. It was estimated that it would take at least a year and probably two years to put it into effect, provided, of course, that adequate staff would be available; so that if it had been possible to keep to the timetable the system would have been fully introduced by 1951. As it turned out, however, in June, 1950, Korea intervened and its challenging requirements had to be met.

The army works services was faced with the alternative of meeting that challenge with the resources available to them, or diverting their efforts in an attempt to achieve administrative perfection at the expense of operational performance. They really had no choice. They adopted the course which any soldier would choose and which I believe any Canadian would support. They met the operational requirements.

Both departmental audit reports and the Currie reports have indicated the presence of irregularities in the application of the accounting system. Difficulties have existed —and continue to exist—which have prevented the accounting system for the army works services from working satisfactorily. As is clear from the Currie report, the main difficulty has been to obtain qualified personnel to administer the system. This matter was referred to by the Solicitor General (Mr. Campney) in his speech on December 17.

The army works services experienced the same problems as those of private industry in obtaining graduate engineers and other qualified technical and accounting personnel. There was and is a shortage of engineers throughout the country; and with both industry and the armed forces expanding, the shortage has become acute and still is acute. In addition to this difficulty, the army was handicapped by the salaries which it could pay graduate engineers as compared to those offered by private industry. How significant is this shortage of qualified engineers may be appreciated when I tell you that in the army works services today there are 111 officers and that out of those 111, 53 are university graduates.

Consequently, the army works services was unable to obtain as rapidly as desired the service and civilian staff needed to do the job and also to keep the accounts in the way they should have been kept. In February, 1952, a special team of representatives of the civil service commission, the chief auditor's branch of the Department of National Defence and the Canadian army was set up to make a survey of the army works services establishments in order to arrive at the numbers and qualifications of the staff required to operate the system and to determine the rates of pay which would have to be offered to attract the right type of person. Of course in the period following the institution of the system in 1949 there was not a moment when efforts were not being made both to create the right establishment and to recruit and enlist the staff required. This team to which I have referred completed surveys of the engineer detachments at Montreal, Ottawa, Kingston, Picton, Toronto and Camp Borden. As the Currie report indicates, and as our experience shows, this is a very necessary operation. It will be seen that in this particular respect the department and the army took action ten months before the report was delivered to me. However, Mr. Currie's investigation intervened, and as he was making a similar survey, and as there was urgent need for the service of the personnel involved to carry on with their own urgent regular tasks, this operation was suspended.

Since the Korean war began we have been short in the Department of National Defence at least 10 per cent of the civilians required at any time to fill the approved establishments—that is, within the whole department. That means that we have at all times been short between two thousand and four thousand civilian personnel.

A system of internal audit of the Department of National Defence was instituted in the month of February, 1948. It resulted from a study and report by representatives of treasury board, the comptroller of the treasury, the civil service commission and the department.

The position of chief auditor was advertised by the civil service commission and, in consequence of a competition which was held, Mr. J. A. Kidd was appointed. Mr. Kidd is a chartered accountant who had carried on his work in Saskatchewan before entering the service of the Auditor General. For some nineteen years he has been in the public service, mostly concerned with the Department of National Defence.

It should be emphasized that the chief auditor's branch carries on an internal audit of the work of the armed forces on behalf of the deputy minister. At the present time the chief auditor has a staff of 49 auditors and 19 others. Since the office was established the chief auditor has made a total of 1,185 reports. During the current fiscal year it is expected that about 350 audits will be made. Those audits are made of all units of the navy, army and air force, of the defence research board and of the inspection services.

The procedure is that the chief auditor prepares a report on each audit to the deputy minister. With respect to the army, a letter

is then sent to the chief of general staff in the name of the deputy minister, drawing attention to any matters which require action.

Prior to August 1950 these letters were addressed to the quartermaster general. Since then they have been addressed to the chief of general staff. Prior to January 1952 the practice had been to forward these reports through engineer channels, to the command engineer concerned, instructing him to take corrective action and report. Since January 1952 these reports have been forwarded by the chief of general staff to general officers commanding who have been reminded of their personal responsibility in this connection.

The general officer commanding is required to take corrective action and report. His report is reviewed by army headquarters and the staff of the deputy minister. Naturally it is not possible in an operation of this size for these reports or correspondence to be handled or even seen by the minister, or for that matter even by the deputy minister himself. It is only the really serious cases that the deputy minister can be expected to review personally.

On March 24, 1952, the chief auditor made a general report to the assistant deputy minister who has to do specially with financial matters. This was of course before Mr. Currie was asked to undertake an investigation, which was on April 21. In this memorandum to Mr. Armstrong, the assistant deputy minister in charge of financial matters, Mr. Kidd said in part:

> The new system appears to have been well thought out and with proper supervision and staff should have been quite successful, but as indicated in a number of our audit reports, supervision has been almost entirely lacking and the quantity and quality of the staff inadequate. In five of the units visited it was claimed by officers in charge that insufficient and untrained staffs precluded carrying out the instructions properly while in seven other units tradesmen and labourers were observed performing accounting and stores duties. Some 95 officer positions on the establishment are said to be vacant.

Mr. Kidd then referred to corrective measures in progress:

> Following the submission to the C.G.S. in February 1952 of an analysis of these general conditions, action was initiated which it is anticipated will eventually remedy the major faults.
>
> (a) The chief instructor of the R.C.E. school at Chilliwack, B.C., has been instructed to visit all commands to advise and assist works companies with respect to the accounting system.
>
> (b) At the request of the quartermaster general a survey team of three investigators from the civil service commission, assisted by representatives of the chief auditor, the D.C.P. (that is, the director of civilian personnel, an official of the Department of National Defence, Mr. Lavergne, reporting to the deputy minister) and the R.C.E. has been set up to review the organization and staff requirements of the directorate of works and accommodation and works companies (Appendix B). It is understood that the civil service commission has been approached with a view to having the 95 vacant officer positions filled by civilian engineers, which in our opinion is a progressive move as the presence of one or more civilians in this capacity at each works company will make for continuity in the administrative staff and increased efficiency throughout the corps.
>
> (c) To meet the responsibility of internal audit and inspection required of the service, an establishment for a civilian inspection staff of seven has already been approved by the civil service commission.
>
> (d) It is understood that the D.W.A. (that is, the director of works and accommodation in the branch of the quartermaster general) on the instructions of the Q.M.G. is to prepare an analysis of our reports on which a general directive is to be prepared and sent to all works companies over the signature of the C.G.S.
>
> It is therefore considered that everything possible has been or is being done to remedy the adverse conditions presently existing.

That is the end of the quotation, and the end of the memorandum. Mr. Currie himself said of Mr. Kidd that the chief auditor of the department had performed his functions conscientiously.

Attached to the report of Mr. Currie, as appendix B, is a table prepared by Mr. Kidd. Mr. Currie did not prepare it, and no changes were made in it after March 24, 1952, although this table is the main evidence, apparently, of the breakdown given in Mr. Currie's report. You will recall that table. It has a column down the left, showing works companies and across the top are twenty different varieties of observations with X's underneath indicating the incidence of the observations.

Personally, I do not think "breakdown" as used in Mr. Currie's report is the right word. What we were trying to do was to work out an effective system of accounting. We simply did not have enough personnel to do that, and also to do the jobs which they were appointed to do. The system was only begun in 1949; but since the Korean war intervened in June of 1950, it was never possible for the army works services properly to implement the system, and at the same time to carry on the additional load imposed by the Korean war and sending the 27th brigade to Europe.

The breakdown to which Mr. Currie referred was, after all, a breakdown—if it was a breakdown—in keeping accounts, and not a breakdown in providing services and doing the essential work for which the army works services exists.

This table prepared by Mr. Kidd was attached by him to the memorandum dated March 24, 1952, to which I have just referred. Its purpose was to illustrate and emphasize the points he was making in his report,

ordinarily a confidential report, to the deputy minister, particularly the need for additional supervisory staff. If you count the number of X's in this table, there being one X for each incident noted, you will see that altogether there are 154. They apply to most of the period during which the chief auditor was making audits of the units of the armed forces, including the army works service companies, and cover the work being done by 33 different detachments.

On my instructions the chief auditor and the judge advocate general have prepared a list summarizing the chief auditor's remarks in each one of these cases and then giving the explanation obtained from the unit and the resultant action taken. I have also had the judge advocate general look at these cases to see whether any further criminal prosecution should be laid or disciplinary action taken. He advises me that in his opinion there are only some 15 cases where there is evidence of the commission of a service offence. On my instructions the chief of the general staff is following up each one of these cases in the commands to see in what cases, if any, disciplinary action should be taken. So that you may see the character of the irregularities involved in these 15 cases let me read the note summarizing them, which is as follows:

Materials obtained or work started prior to authorization of project.
Requisitions on D.D.P. or L.P.O.'s split to keep within financial limits.
Accumulation of materials from completed works or materials removed from buildings not brought on charge in stock records.
Non-expendable stores issued to buildings without recording on installed fixture cards.
Unauthorized issue of stores and materials.
Failure to carry out stocktaking as required by the instructions.
Adjustment of discrepancies without reference to higher authority.
Estimated costs exceeded without review.
Cost of labour or materials charged against approved work orders not used on other jobs.

You will see that judged in the eyes of the civil courts and under criminal law these are not very serious crimes. But on the other hand they constitute things which should be stopped and which will be stopped in so far as it is possible.

However, right through, whether it be in the reports of the chief auditor, in the replies of the units or in the report of Mr. Currie, if I read them correctly and read his recommendations correctly, the main cause for all this has been a shortage of staff, particularly civilian staff, and in the services a shortage of engineering and accounting officers. Today in the army works services alone we are short approximately 1,700 civilian and 250 service personnel. That is under the establishments as they were increased following the review to which I have referred.

Until we have this personnel on the strength it will not be possible to rectify the situation fully as you and I would like. Of course this shortage of staff has been known to the army, to the department and to the civil service commission. It has continually been a source of great concern. Both the department and the civil service commission have been making continuous efforts to obtain the staff that was needed to do the job. An effort was made to get technical staff from other government departments, but without marked success. In addition to the usual advertisements of vacancies the civil service has repeatedly made special efforts to obtain applicants. As recently as September 4, 1952, the commission advised the department as follows:

It is felt that your technical directorates must be prepared to carry on with a shortage of staff in these fields since industrial agencies at the moment are required to do so.

The device mentioned by the Auditor General in his report of borrowing qualified personnel from civilian firms under special contract is possible on a limited scale in order to get special jobs done, but cannot work satisfactorily in accomplishing routine continuing operations in the works service, even if the personnel could be obtained.

The fact is that the expansion of the armed forces, the partial introduction of a new accounting system, the shortage of qualified personnel to administer it, the activities of 24 civilian contractors engaged on 37 major contracts at Petawawa during 1950-51 and 1951-52 combined to create a situation at Petawawa of which, as Mr. Currie says, a handful of crooks took advantage.

May I turn now to the recommendations made by Mr. Currie in his report.

Mr. Diefenbaker: Before the minister does that, will he permit a question?

Mr. Claxton: I am following a consecutive order. I will answer the hon. member's question later.

Mr. Diefenbaker: This question has to do with responsibility. Has the minister any information in answer to the $48 question as to who changed the words "at or near the top," which were so singularly altered?

Mr. Claxton: That does not arise out of anything that I have said. If there was any change of that character made it was made by Mr. Currie on his own responsibility before he signed the report. If my hon. friend has confidence in Mr. Currie, then he cannot have

it both ways. If Mr. Currie decided to make the change it was because he decided that that change was desirable to be made.

May I turn now to the recommendations which are to be found at pages 728 to 730 of *Hansard*. They are 44 in number and were referred to by the Solicitor General in his speech. But perhaps I should bring the information on them up to date.

As I have said already, I believe that Mr. Currie, his associates and those in the department and the army regarded this whole operation as a co-operative effort to arrive at the causes and prevent their recurrence. The extent to which this project has been carried out by the department is indicated by the action which was taken before the delivery of the report. The extent to which the recommendations had already been put into effect was referred to by the Solicitor General.

Of the 44 recommendations made, 27 were being put into effect before the report was made or received by the department. Four more recommendations are regarded as urgent and will be carried out as additional manpower becomes available. Eight recommendations involve additional manpower and also involve very considerable sums of money, possibly more than any potential advantage would justify. These will be subject to further consideration. Three recommendations do not involve additional manpower and money but will require further study. One of the recommendations is not considered desirable to implement except in respect of new major developments, and one other appears to be unsuitable as it is phrased.

Having given a summary, it seems to me that hon. members might wish me to give, under the five main divisions already mentioned, Mr. Currie's recommendations and the comments of the department in each case. It would be very convenient if these could be printed in *Hansard* in parallel columns, but I am aware that that is really not in accordance with the practice of the house and I am not going to ask for unanimous consent that it be done. But I do inform the house that the comments on these recommendations which have been made in detail by the officials of the department are available and will be put before the committee on defence expenditure when it meets.

I do not need to tell hon. members that most of the recommendations will entail considerable increases in manpower and expenditure. With regard to the appendix in the Currie report proposing an increased staff at Petawawa, the new establishment for Petawawa, with the exception of the estimator recommended by Mr. Currie, was designed in November, 1951, by the department in co-operation with other government agencies, and the only addition of consequence made by Mr. Currie is that of the office of estimator. The establishment at Petawawa was increased from 23 military and 142 civilians to 35 military and 223 civilians. The increase in the army works services establishment at Petawawa was necessary because of the expansion of the army which led to the creation of home stations for two regiments and ancillary units at the station.

The increases in the army works services establishment at Petawawa and elsewhere were not in consequence of the Currie report but were initiated prior to the report to bring the army works services up to the strength required to do its job. Altogether these increases and those recommended in the report, because Mr. Currie incorporates these increases in his own recommendations, resulted in an increase from 1,088 military and 3,436 civilians to 1,109 military and 5,123 civilians, an increase of 21 military and 1,687 civilians. But at the present time, as I have indicated, on other establishments within the army works services in round figures we are short a total of 1,700 civilians and some 250 service personnel.

The increases involve an annual expenditure of approximately $5,246,000. The major portion of this increased engineer work load was due to the large number of civilians required for the operation of utility plants. The need to provide central warehousing was provided for in the approved 1952-53 annual estimates and new accommodation for companies and detachments was provided for in the approved 1951-52 estimates.

The report makes a number of recommendations regarding additional security measures. Many of these have already been put into effect and, of course, they will all be given consideration. I would be surprised, however, if we do not find that in some cases the cost of the full measure indicated would be out of all proportion to any reduction in losses which might result, and this of course is an important practical consideration. The theft at Farnham is a striking example of what I mean. The cost of providing good security over the period of six years after the camp ceased to be used would have been about forty times the loss suffered by the public through the theft of the property for which prosecutions were laid. It is always necessary to strike a balance between the cost of security and the possibility of loss.

Leaving aside such recommendations in the report as involve the complete relocation of gates, campsites, roads, compounds, et cetera, most of which are out of the question, and taking into consideration only those directly

related to storage and safekeeping of engineering supplies and equipment, we have estimated that the additional cost merely for security fences at Petawawa alone would be $286,000 with an annual recurring cost for additional guards of $119,000. We have also completed estimates for another typical company at a similar establishment, namely, Camp Borden, where we estimate that the capital cost for fences would be $346,000, with an additional annual recurring cost of $139,000.

Applying these figures on a proportionate basis to other army works establishments, we arrive at an estimate of the capital cost for additional security and safekeeping facilities for army works services installations alone of $1,774,000, with an additional annual recurring cost for guards alone of $1,106,000. It may be pointed out also that, as we have said, in none of the cases at Petawawa was the loss attributable to lack of physical security. The degree of security must of necessity be related to the nature of the stores. Here the materials stolen were scrap, building materials, salvaged articles, et cetera. To what extent that additional manpower and expenses would be justified by the results may be open to question. Certainly, as I say, we must see to it that every justifiable measure that can be taken is taken to safeguard the people's property.

In addition to the steps to which I have referred which are in line with Mr. Currie's recommendations, I might mention a number of other things which we have done in connection with the army works services.

(a) A revised establishment has been created in the quartermaster general's branch regarding works and quartering.

(b) New establishments have been created for each works company and new stores depots.

(c) The army works services detachment at Petawawa has been raised to the status of a company, which has the effect of putting it under command headquarters and eliminating the channel through the area headquarters at Kingston.

(d) The civil service commission has approved the establishment for civilian personnel officers in the field directly responsible to the director of civilian personnel in the Department of National Defence.

(e) A board has been set up consisting of three senior army officers, a representative of the civil service commission and of the director of civilian personnel, which will visit army units with a view to examining their establishments and arriving at much more speedy decisions.

[Mr. Claxton.]

(f) The quartermaster general's branch has established a travelling inspection division which will follow up reports made by the chief auditor to see on the spot that desirable recommendations are immediately implemented without waiting for correspondence.

I come now to the series of 33 regulations which Mr. Currie says were broken. Reference is made to these at page 715 of the report as it appears in *Hansard*. Mr. Currie does not say when these breaches of regulations occurred but one can assume from the context that he relates them to the irregularities at Petawawa, though some of them may also have occurred elsewhere. I have asked the judge advocate general and the Department of Justice if there is anything in the report of Mr. Currie or anything brought out at the trials or in the police reports which would justify instituting additional prosecutions of service or civilian personnel, or taking any additional kind of disciplinary action in this connection. I have an opinion as regards criminal prosecutions from the deputy minister of justice and as regards disciplinary action and criminal prosecutions from the judge advocate general that, apart from the cases I have mentioned and some others that are the subject of further investigation, the only thing that might be indicated would be further disciplinary actions.

In concluding my reference to the Currie report, I should like to draw your attention to the paragraph with which he begins part IV, "Conclusions and Recommendations". He says:

> My report, I fully recognize, contains many discouraging features. The over-all situation is, however, by no means discouraging because of the fact that the cure for what has gone wrong in the past can be and, in fact, is being applied.

In my remarks I have endeavoured to give you the background so that you can understand the circumstances through which the grave irregularities which occurred at Petawawa did in fact take place. In giving this explanation do not think for a second that I wish to excuse or condone either the fact that the irregularities did take place or the fact that they could have taken place.

There are in this house a great many veterans of the two wars. They know, and the veterans all over this country—and there are a lot of them—know, and I think the public has a pretty good idea too that an army is not a Sunday school and soldiers are not saints. That does not mean that we should condone wrongdoing, but neither does it mean that you can expect to have an army in which all the officers and men behave perfectly. There are bound to be occasional

misdemeanours and unfortunately there is also bound to be a certain amount of wrongdoing just as there is in the rest of the population.

Canadians have won for their arms a fine record in the first and second world wars—and now in Korea. What they have done has been accomplished because of their qualities, and that includes the quality of their leadership. Field leaders are selected because of their qualities of decision, of command, yes, of courage and initiative, and not primarily because of their superior ability as storekeepers or accountants. Yet each one of these has to have, in addition to his responsibilities for training and leading the formations under his command, responsibilities for the administration of what in civilian life would be a very large business operation.

Mr. Currie in his report has said that the amounts involved at Petawawa were probably not large. The estimate given to me by the police was that the total involved was probably less than $50,000. That is still their view. A very large part of all that was stolen has been recovered and the guilty have been prosecuted and punished.

What remains to be done is to ensure that any steps which are likely to bring results sufficiently important to justify the men and money involved should be taken and taken without delay and as fast as qualified personnel can be obtained. That will not ensure a complete cessation of irregularities and pilfering and even fraud and theft in operations of this magnitude. Unfortunately, we all know that these things do go on in civilian as well as military activities.

I would like to add, however, that the records put before the defence expenditure committee at its last session, and the information made available to me, indicate that the scale of losses due to service activities having regard to the value of the property involved are not any larger than those commonly experienced in civilian activities of a similar character.

Despite the fact that our operations are many times larger, I think you would find that the loss by thefts and pilferage in the armed forces is no larger than that in the major commercial undertakings of the country. When any one of these suffers a loss very little is said about it in the press or parliament, but it is seldom indeed that a loss occurs or a member of the armed forces commits a crime that it is not blazoned in print across the country.

Now, in consequence of this report and of the action we have taken and of the actions we will take, I hope that we can both improve the organization and increase the personnel so as to reduce our losses to the lowest possible figure. That is our constant aim and goal.

However, irrespective of the action we shall take, we shall continue to have losses, losses which, because of the size and nature of the operation, will appear to be very considerable indeed, but which, when viewed fairly and with a sense of proportion, will not be unreasonable. And if I may say so, we shall continue to have those losses no matter who is minister of national defence, even if the hon. member for Nanaimo (Mr. Pearkes) were minister of national defence, or the hon. member for Winnipeg North Centre (Mr. Knowles).

An hon. Member: It won't be long now.

Mr. Claxton: I believe that the view I have just expressed will be confirmed by an experienced accountant like the hon. member for Winnipeg North (Mr. Stewart).

We shall also continue to try to find ways and means of improving the organization of the armed forces and of the Department of National Defence. Now that the great majority of contracts for construction and orders for equipment have been placed and that we have so large a proportion of the manpower required throughout the armed forces as a whole, we will have more time, I hope, to spend on examining and improving and streamlining still further.

In view of the importance attached to this report and for the reasons already mentioned by the Prime Minister (Mr. St. Laurent), I move, seconded by the Secretary of State for External Affairs (Mr. Pearson):

> That the motion be amended by inserting after the words "March 31, 1950", in the fourth line thereof, the following:
>
> "and initially to give priority in their examination to the expenditures and commitments of the Canadian army works services as dealt with in the report of G. S. Currie, Esquire, chartered accountant, tabled in the House of Commons on December 15, 1952."

Mr. Knowles: Mr. Speaker, may I raise a point of order? May I make it clear that my point of order relates only to procedure and not to the substance of the proposed amendment. I will deal with that later.

My point of order is as to whether or not the amendment of the Minister of National Defence (Mr. Claxton) is in order. I draw Your Honour's attention to a citation in Beauchesne's third edition which you have often read against us on this side of the house when we have sought to move an amendment to motions setting up committees. Citation 546 reads:

> When the house is engaged in nominating the members of a committee, it is not competent for an hon. member to open the whole subject.

Committee on Defence Expenditure

I read that paragraph in order to put the whole citation on the record although it is the next paragraph which counts:

When the house is considering a motion, of which notice has been given, for the appointment of a select committee, a member cannot move in amendment that the committee be given wider powers than those which were set down in the notice. On the 13th March 1938,—

I interject to say that there is an error at that point; it should read 1939—

—a minister moved that a special committee be appointed to study the question of redistribution of electoral districts and to enquire into the methods whereby the source of campaign funds may be traceable. Two amendments were moved: one proposed that the committee's powers be extended so as to investigate amounts of contributions over $100 for the past ten years; the other proposed to investigate the methods whereby lumbermen, fishermen, seamen and miners in British Columbia may be enabled to exercise their franchise.

The Speaker ruled both amendments out of order on the ground that they raised new questions not contemplated in the notice of motion and proposed to extend the committee's powers far beyond those set down in the notice, and also that the necessity of giving notice will be nullified if such notice is not used as a guidance for the decision of the house.

If I had thought, Mr. Speaker, that any attempt would be made at this point to move an amendment of this character I would, of course, have had a number of references ready to quote by page number, and by chapter and verse. I did not do that. But in my own mind I can recall that when the motion was made to set up a committee to go into the question of old age security an attempt was made from this side of the house to move amendments to that motion, and Your Honour ruled those amendments out of order on the basis of the citation that I have just read. Similarly, a year or so ago, when there was a motion to set up a special committee on veterans affairs, the terms of reference of which were more restrictive than they had been on previous occasions, an attempt was made by the member for Royal (Mr. Brooks) and by my deskmate the member for Melfort (Mr. Wright) to move amendments. Those amendments were ruled out of order, again on the basis of citation 546.

I recall also that in the session of 1952 the Prime Minister (Mr. St. Laurent) had on the order paper a motion for the setting up of a special committee on redistribution. I recall that after he had given notice of that motion there were certain changes he wanted to make in it. If my memory serves me correctly, he stated in the house that the reason he withdrew his motion and submitted another one through the usual channels of giving notice was that he was aware of this very citation and of the difficulty, if not the impropriety, of amending a motion to set up a committee once it has been placed on the order paper and had been moved in the house. As I say, Mr. Speaker, it was because of the action the Prime Minister took with respect to the motion for a redistribution committee last year that I could not imagine that any member on the government side would try this today. I did not, therefore, assemble these references page by page, but I am sure that Your Honour recalls them and they can be found if necessary.

I believe it is obvious, whether or not we agree with the substance of the amendment, that what happens when an amendment is moved in this way is that the question is placed before us without the required forty-eight hours' notice being given. At the same time, I may say that I do not see that the amendment is at all necessary, which is another procedural argument. After all, you are not supposed to move amendments that are unnecessary. I submit there are already sufficient powers contained in the motion as it is worded to enable the committee to send for papers and records, one of them being the Currie report. They can also send for persons, including Mr. Currie himself. So, Mr. Speaker, on the grounds of citation 546, and the ground that no notice has been given of this, I think it is out of order. There is also the ground that it is unnecessary because the power to send for persons, papers and records is already contained in the Prime Minister's motion.

Mr. Drew: There is another consideration that I would submit should be borne in mind, Mr. Speaker, in giving consideration to this amendment. We have had on the order paper now for some considerable time a notice of motion in the name of the Prime Minister (Mr. St. Laurent). The Prime Minister did not choose to speak when the motion was called and the Minister of National Defence (Mr. Claxton) spoke on behalf of the government. Every hon. member in this house has had reason to assume that the motion we would be considering this afternoon as presented by the government would be the motion on the order paper. The effect of this is to place before the house a new motion by the government without notice.

I would point out also to Your Honour the fact that on a procedure of this kind the notice stands in the name of the Prime Minister, but the Minister of National Defence addressed his remarks to that motion and then moved an amendment which every hon. member knows will be supported by the members of the party who have shown a

strong disinclination to show any independence of opinion in their voting in this house.

Mr. St. Laurent: Mr. Speaker, is that kind of reference to the whole of the members, who belong to any other party but that of the hon. gentleman, in order in this house?

Mr. Drew: I regret—

Mr. St. Laurent: I addressed a question to the Speaker and I should like to have the Speaker's ruling on the question. I would rather have that than the ruling of the Leader of the Opposition (Mr. Drew).

Mr. Speaker: I understood the Leader of the Opposition was going to withdraw his remarks. The reason I did not rise at the time the Prime Minister spoke was that the Leader of the Opposition stood up immediately, and I understood he was going to withdraw any reflection he had cast upon members generally.

Mr. Drew: I do not propose to make a blanket withdrawal. Will you kindly indicate what words should be withdrawn?

Mr. Speaker: I understood the Leader of the Opposition to charge the leaders and members of certain parties in this house with having no independence of thought. I think those were his words. That, of course, is a reflection on those members. Every member must come into this house and be considered as being independent and not the servile follower of any party or of a leader. I believe that is the only meaning one can take from the words.

Mr. Drew: I did not use the words you have quoted, and I am asking you that you name the exact words that I am to withdraw before I am able to do so.

Mr. St. Laurent: I shall assist you, Mr. Speaker. I understood the Leader of the Opposition to say he had no doubt that this amendment submitted by the Minister of National Defence (Mr. Claxton) would be supported by all the usual followers of the government in the house who have never shown any inclination to exercise any degree of independence.

Mr. Diefenbaker: What is wrong with that?

Mr. Drew: The words I used were that the motion would doubtless be supported by those who have shown a strong disinclination to vote against the government.

Mr. St. Laurent: We will have a transcript, and we will see whether my memory or that of the Leader of the Opposition is the more reliable.

Mr. Drew: I shall leave it to *Hansard.*

Mr. Speaker: I think the Leader of the Opposition went further than that. I am sure the Leader of the Opposition did go further than that. I would not ask him to withdraw the remarks he has just quoted, but his remarks with respect to the members of this house showing no inclination to independence—it is the word "independence" to which I object.

Mr. Drew: Mr. Speaker, the *Hansard* record is there, and I shall withdraw no word that is not indicated by you as being the word that I should withdraw.

Mr. Speaker: I shall have to have the *Hansard* record read. The word to which I object is the word "independence". The phrase to which I object is the reference to a lack of independence.

Some hon. Members: Withdraw.

Mr. Drew: Mr. Speaker, I ask you to have the record presented to you and to indicate to me the words to which you object.

Mr. Speaker: Then I would ask the *Hansard* reporter to read the remarks of the Leader of the Opposition (Mr. Drew) immediately preceding the objection which was raised by the Prime Minister (Mr. St. Laurent).

Is a member of the *Hansard* staff walking out of the chamber? Will the Sergeant-at-Arms tell the member of the *Hansard* staff not to withdraw. Is the *Hansard* reporter in a position to read the remarks of the Leader of the Opposition immediately preceding the objection which was raised by the Prime Minister?

Mr. Abbott: He is not allowed to speak.

Mr. Speaker: The *Hansard* reporter has indicated that he is not in a position to read those remarks. I wish to assure him that I will not consider them unparliamentary so far as he is concerned. I do not like to hold up the proceedings of the house unnecessarily in connection with this matter. Has any hon. member any suggestion to make in order to get me out of this dilemma?

Mr. St. Laurent: If the *Hansard* reporter is allowed to withdraw, Mr. Speaker, I am sure that within a few minutes he can give a transcript of his notes. I can appreciate his reluctance to do a thing which would be unique in the annals of the House of Commons, namely to speak while the house is in session. I have no doubt that a transcript can be obtained in a few minutes, if Your Honour wishes to have one.

Mr. Knowles: Why not deal with the matter at eight o'clock?

Mr. Speaker: Under the circumstances it will be necessary for me to deal with the matter at a later time this day.

Mr. Fleming: When you do so, Mr. Speaker, will you permit discussion in the house as to whether the words which the Prime Minister contended were said are actually offensive according to the rules of the house? I wish to make a submission that, even if the words which the Prime Minister says were used were in fact used, they are perfectly proper words to be used in this house. We must be becoming exceedingly thin-skinned around here if words like those cannot be used. It is one thing to make some reflection upon the independence of parliament. But to discuss the independence of members and independence of thought seems to me to be perfectly proper. It seems to me that is a perfectly proper matter for discussion in the house and always has been. So far as my study goes, I know of no rulings to the contrary.

Mr. Speaker: I will consider the whole matter later on.

Mr. Diefenbaker: Are you going to allow argument on that question? I think it is a matter that is deserving of argument.

Mr. Speaker: Order. At the moment no one is quite sure of the exact words used. Perhaps I should not say that no one is, but at any rate I am not quite sure of the exact words which have been objected to. When we know what those exact words are, we will consider the whole matter.

Mr. Diefenbaker: Will argument then be allowed?

Mr. Pearkes: Mr. Speaker, is it your intention to allow the debate to proceed or are you going to make a ruling?

Mr. Speaker: I think the Leader of the Opposition was submitting an argument in connection with the point of order that was raised by the hon. member for Winnipeg North Centre (Mr. Knowles). I will allow him to continue.

Mr. Drew: Mr. Speaker, I would point out that we have before us now an amendment to the motion of the government which, in effect, presents a new motion of the government with certain clear instructions. In the event that the Prime Minister should be surprised by getting the support of the members on his own side for this amendment, then of course—

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

[Mr. Knowles.]

Mr. Drew: —the result would be that it would not be possible to introduce any amendment which might have the effect of proposing a more expeditious course than that which has been placed before the house by this government. The device of having a member of the government move, without notice, an amendment to the government's own motion produces the effect of devising another gag for this parliament in which a majority shows some inclination at least to support the government.

Some hon. Members: Oh, oh.

Mr. Drew: Under a motion of this kind, if it receives that support which the Prime Minister seems to think is in some doubt, I would point out that there is no way in which the ordinary procedure in debate can be followed whereby the opposition is able to place before the house an alternative method to that which is put before it by the direct motion itself of which we have notice. The consequences of this procedure are simply to limit still more the rights of this parliament under the domination of the government which does not believe in the freedom of parliament.

Some hon. Members: Oh, oh.

Mr. Drew: When the Prime Minister rises with such great indignation, as he did a few minutes ago—

Mr. Diefenbaker: And it was a little bit synthetic.

Mr. Drew: —and exceedingly synthetic indignation it was, I wish that he would take the time to read some of the *Hansard* records of the debates at Westminster from which we are supposed to draw many of our precedents.

Some hon. Members: Oh, oh.

Mr. Drew: If he sat in that house—

Mr. Speaker: Order. It seems to me that we are getting away from the point of order. The hon. member for Winnipeg North Centre has raised the question whether the amendment is in order. He has given reasons why he thinks it is not in order. At this time I cannot hear an argument on the rules generally and on what is the effect of the amendment. The only thing I can consider at this time is whether the amendment is in order or not, and nothing else.

Mr. Drew: Mr. Speaker, you will be called upon to consider the importance of the decision you make and its effect upon the procedure in this house because of the fact that your ruling in this case, as in others, will

create a precedent. In examining that question I submit that it is appropriate to place before you the consequences of a procedure of this kind under which there is an effective blocking of the ordinary opportunity afforded to the opposition to place before the house alternatives which might produce a more expeditious examination of the Department of National Defence.

Mr. Speaker: Would that not be a matter for the house to consider and to decide? If that is the effect of it, would it not be for the house to consider and to decide whether the rules should be changed? I do not think it is a question which I should decide at this time. The matter which concerns me is whether this amendment would give the committee wider powers than those which were set out in the notice. Frankly I may say that if the discussion so far has been in order—that is a discussion of the financial sections—it would seem that this amendment would be in order. In fact, the argument went further than that, but even limiting it to that extent, if the discussion in the house with respect to the expenditures mentioned in the Currie report is in order, then it would seem to me that this amendment would be in order. Either they are both out of order or they are both in order. I am prepared to hear further argument. But I thought I should draw the attention of the house to the way the matter occurs to me at the present time. I would ask the Leader of the Opposition to direct his remarks to the point of order at this time.

Mr. Drew: Well, Mr. Speaker, I will point out to you that in giving consideration to the effect of an argument in relation to a procedure which is something not fully dealt with by the rules as they now stand, I believe it is both in keeping with the practice, and that it is extremely important, that you have full regard to the consequences of any decision Your Honour may make.

I would point out that already it has been clearly indicated that we do not believe the Currie report needs to be referred to another inquiry. This amendment, added to a government motion now before us, has the obvious intention and purpose of embalming the Currie report. That is something which—

Mr. Speaker: Order. I do not think that has anything to do with the point of order; it deals with the question of the amendment itself. If the Leader of the Opposition and other hon. members in the house feel that way about the amendment, they can vote against it.

Some hon. Members: Oh, oh.

Mr. Speaker: That argument goes to the very root of the amendment itself, not to the point of order, and at this time I can hear only arguments on the point of order.

Mr. Drew: Well, I shall leave this thought with Your Honour, that we had notice of a government motion standing in the name of the Prime Minister (Mr. St. Laurent). That was the motion we came here to debate; that was the motion of the government that we had the right to expect to deal with, as an opposition. There is no notice of any other.

If this procedure becomes the accepted procedure in this house, then at any time the government can prevent the ordinary rights of the opposition being exercised by the device of introducing a motion in the name of one minister, having another minister offer the motion, and then introducing an amendment to the government motion, without notice, thus taking away all the alternatives which would ordinarily be open to the opposition.

This will quite rewrite the rules of the house, and is still another attempt to limit parliament in the exercise of its functions on behalf of the people of Canada.

Mr. St. Laurent: I should like to speak to the point of order, and I do so because the hon. member for Winnipeg North Centre (Mr. Knowles) pretended to invoke as authority something which I had done or said in connection with a motion to set up the committee on redistribution. I understood him to say that I had recognized that it was improper, or that I had recognized the impropriety of attempting to amend a motion to set up a committee. It is not the first time the hon. member for Winnipeg North Centre has misunderstood or extended things that I, or other members of the government, have said in the house.

What I said, and what I repeat, is that you cannot without notice expand the reference to a committee, and that you cannot, even with notice, do something that is futile and that does not add anything at all to—

Mr. Rowe: Mr. Speaker, on a point of order—

Mr. St. Laurent: I am speaking to a point of order. There is one before the house now.

Mr. Speaker: Order.

Mr. Rowe: On a point of order—

Mr. Speaker: I cannot allow two points of order at the same time.

Mr. St. Laurent: Thank you, Mr. Speaker. I was saying that I quite admitted that you cannot, without notice, move to expand the

reference to a committee, for the setting up of which notice has been given; and that you cannot regard as in order a motion that adds to or takes nothing from the terms of the general motion.

The two arguments submitted by the hon. member for Winnipeg North Centre are, first of all, that this would expand the scope of the reference to the committee or, alternatively, if it did not, that it would be quite useless.

Mr. Knowles: Either one or the other.

Mr. St. Laurent: Well, it does not expand the terms of reference, which will have to do with all the expenditures and commitments of all the branches of the armed forces in every respect since the date mentioned in the resolution itself. And it is not useless because, though it does not empower the committee to do something they cannot do without being thus empowered to do it, it does direct them initially to give priority in the examination they have to make of the expenditures and commitments of all the branches, to those that are referred to in the Currie report.

Now, they would have the right to do that without an amendment. They would not be obliged to do it without an amendment. And the house certainly can direct them, if it sees fit, to do so, and initially to give priority to the examination of those items.

I suppose the hon. member will not be satisfied with my answer; but that is my answer.

Mr. Knowles: For once I agree with you.

Mr. St. Laurent: That is the answer to both branches of the hon. member's objection.

Now, I said I would speak only to the point of order. I shall have to reserve to some other occasion an explanation of language which the Leader of the Opposition has not understood, or has chosen to represent as being rather ambiguous. I never said I did not expect that there would be others who would be voting as I vote in this house—but not because they are not independent. It is because they, too, would feel that that was the right way to vote.

Mr. Knowles: If I may have a further word with reference to the main point of order, I should like to say something in the light of what Your Honour said and what has been said just now by the Prime Minister. If I may say so, I think the Prime Minister is getting close to the point—

Some hon. Members: Oh, oh.

Mr. Knowles: —when he says that the amendment of the Minister of National Defence (Mr. Claxton) is either one thing or the other. Either it is an enlargement of the powers of the committee, or it is not an enlargement of the powers of the committee.

Mr. St. Laurent: I said that was your argument, that the amendment would be out of order if it were either an enlargement of the scope of the main motion, or proposed something that was useless.

Mr. Knowles: Well, Mr. Speaker, we might be misunderstanding each other; but in my view we are saying the same thing, namely that this amendment moved by the Minister of National Defence does one thing or the other—

Some hon. Members: No, no.

Mr. Knowles: —either it enlarges the powers of the committee, or it does not enlarge the powers of the committee.

Some hon. Members: Oh, oh.

Mr. Knowles: Just a minute, now—

Mr. Speaker: Order.

Mr. Knowles: And in saying that I am only saying the same thing that was said to us when we moved to enlarge the powers of the old age security committee. I wanted to enlarge them with reference to the means test, and the hon. member for Macleod (Mr. Hansell) wanted to enlarge them with reference to disabled persons. We had the same argument again in setting up the committee on veterans affairs.

Mr. Speaker: Order. Surely the hon. member for Winnipeg North Centre would agree that to include disabled persons would have enlarged the powers it was proposed to grant to the committee.

Mr. Knowles: My point is—

Mr. Speaker: My difficulty is—and this is the aspect on which I would like some help—is the consideration of expenditures mentioned in the Currie report within the competence of the committee without this amendment and, secondly, is it within the powers of the house to in any way direct the committee to consider these expenditures?

Mr. Knowles: On the very point you are raising, I suggest that if it is giving the committee power which it does not have, it is out of order under citation 546.

Mr. Speaker: To help the hon. member may I read citation 407 in Beauchesne, third edition.

Mr. Knowles: That is just what I was going to read.

Mr. Speaker: This reads:

An instruction is a motion empowering a committee to do something which it could not otherwise do—

So far as that is concerned, I would suggest that such an amendment at this time would be out of order because no notice had been given. Then we read on:

—or to direct it to do something which it might otherwise not do.

Does not this amendment direct the committee to do something which it might otherwise not do? It might do it or it might not do it. The point is that it might otherwise not do it, and the proposal in the amendment is to direct the committee to do it.

Mr. Knowles: If it is a direction, in other words if it is something new, I submit that it requires notice. If it is not a direction I suggest that Your Honour go on and read further from the citation you are just now referring to, No. 407, where it says:

If the subject matter of an instruction is within the scope of the question referred to the committee then such instruction is useless and irregular.

Mr. Speaker: That must be read in connection with the words which I have read, that an instruction can direct a committee to do something which it might otherwise not do. Those words mean something. I do not think you can read the words which the hon. member has now read and say that the words which I read mean nothing. I should like to dispose of this matter, but if any hon. member has any other suggestion which has not been raised I will hear it.

Mr. Adamson: Mr. Speaker—

Mr. Fulton: If I may with respect—

Some hon. Members: Oh, oh.

Mr. Fleming: May we have a little order?

Mr. Fulton: It seems to me that the rule we are considering here, No. 407, has been devised and worded in this way for a very particular purpose. Going back to what the Prime Minister said, if the committee might not give first consideration to the matters referred to in the Currie report, the amendment would direct that they should do so. Is not the wording put in that way so that so long as the matter is within the power of the committee to consider, then the order in which they consider it is a matter for the committee itself to determine? Therefore if the matter is within the scope of the subject matter referred to the committee, then an instruction to the committee that they proceed to consider that matter is useless and irregular.

It seems to me that is the reason those two sentences are used in citation 407. Therefore an instruction directing a committee to do something which it might otherwise not do is clearly out of order. It seems to me that once this house sets up a committee, the agenda of that committee and the time at which it will direct its attention to various matters or the matter which it has been asked to investigate is something for the committee itself to determine. The government has a majority on the committee, and the chairman is always a government member.

Therefore I submit that those two sentences in that rule, which Your Honour has suggested conflict, are perfectly consistent, and that if the subject matter of the proposed amendment is an instruction to the committee to do something which is already within the scope of its reference, then although the committee may do that if it chooses, nevertheless such an instruction is useless and irregular.

Mr. Pouliot: Mr. Speaker, I am surprised that those who are so anxious to hear from the report should object to the amendment. I cannot understand it. It is just splitting hairs. The motion has a very wide scope and the purpose of the amendment is only as a reminder. It is similar to a memo to notify the committee not to forget to do that. Hon. members who have just spoken have a short memory; and I think it is necessary to do that.

Mr. Adamson: Mr. Speaker, I do not often get into arguments on procedure, but as this happened in a committee of which I was a member I feel that if amendments of this nature are allowed they will have the effect of so refining and prescribing the terms of reference in motions setting up committees as to make the work of such committees almost meaningless.

If this amendment is allowed to stand what can happen is that a motion to set up a committee with certain terms of reference may be brought down in the house by a minister. The terms of reference may then be considered too broad and another minister may get up and make a substantive motion to reduce and limit the terms of reference. You would then have the possibility of making the work of the committee almost meaningless.

Surely in this case it is obvious that the Currie report is going to be one of the first things that will be discussed by the committee. Therefore the motion is redundant. The motion itself is quite broad, but it is out of order and would have that effect.

Mr. Churchill: Mr. Speaker, I should like to draw your attention to Sir T. Erskine May's Parliamentary Practice, fifteenth

edition, which may be helpful to you in reaching a decision on this. I would refer you to pages 592, 593 and 594. There is a reference to the setting up of a committee at the bottom of page 592 which reads:

> If it is thought desirable that a committee should extend its inquiries beyond the limits laid down in the order of reference, the house may give the committee authority for that purpose by means of an instruction.

You were mentioning a minute ago the question of instruction. Then I quote again from page 593:

> If, on the other hand, it is deemed advisable to restrict the scope of the inquiry, or to limit the committee's powers, an instruction may be given to the committee requiring it to refrain from considering the matter, or doing the act which forms the subject of the instruction; and, if so desired, instructions may also be given to committees prescribing their course of proceeding.

I draw Your Honour's attention to the footnote at the bottom of page 593 which is explanatory of that last sentence which I have read, "prescribing their course of proceeding".

The final quotation at the bottom of page 593 reads:

> Instructions may be given to committees at the time of their appointment, or at any time thereafter before they have presented their final report. Where an instruction is proposed to be given to a committee on its appointment, it may be moved immediately after the committee has been appointed; but it is more convenient to move it after the members have been nominated, and the quorum has been fixed and the committee given power to send for persons, papers and records. Notice of an instruction can be placed upon the notice paper, to be moved after the appointment of a select committee, or after the nomination of the members, or as an independent motion.

I suggest, Mr. Speaker, that you might find some assistance there in determining this question, because it is obvious from what I have read that the practice as outlined by Sir Erskine May is to give instructions to a committee after the committee has been set up, and not during the course of the setting up of the committee.

Mr. Applewhaite: I hesitate to add my small voice to those of the experts who have already spoken, but it occurs to me that one quotation which I think is pertinent has not yet been submitted to Your Honour. We have before us and are discussing a notice of motion. Citation 315 of Beauchesne, third edition, reads as follows:

> A modification of a notice of motion standing upon the notice paper is permitted, if the amended notice does not exceed the scope of the original notice. A new notice must be given in the *Votes and Proceedings* under standing order 45, when a material change is to be made to a notice of motion before it is taken up by the house.

The question here seems to be whether or not a material change is to be made. As one who sat through the sessions of a very similar committee constituted under a very similar original notice of motion at the last session of this house, it was most noticeable that a great deal of the time of the committee, set up to examine all expenditures of public moneys for national defence, was taken in examining the details and the circumstances of pilferings, irregularities, losses, fires, etc., matters such as I think we all agree are the main subject of the Currie report.

Therefore to refer the Currie report to this committee is surely not exceeding the scope of the original notice of motion in the name of the Prime Minister, at least not exceeding it as it was interpreted by the committee during the last session. If that is the case, then surely it is in order unless it is so valueless as to be useless, and I would suggest that the word "might" in citation 407 does not involve a question of compulsion but refers to the opportunity of the committee to do or not to do something.

The other point that has been raised in this connection, and which worries me because I do not know very much about it, is the suggestion that if a notice of motion of this sort stands on the order paper apparently no one on this side should move an amendment because presumably—if this is not the argument I do not know what it is—by doing so the chance is lost to the opposition of moving an amendment. If I understand this discussion correctly, that surely does not make sense because it certainly seems to me that all that has to be done is to dispose of the first amendment in order to move another or at the moment, provided it is legally competent for some member to do so, to move a subamendment, dispose of the subamendment and the amendment, and move another one.

Surely no one is trying to suggest to you, Mr. Speaker, that once a notice appears on the order paper the sole right to move any amendment to it must rest with those who, because of circumstances, represent the minority in the house. I do not think that can be the intention at all of the rules or of those who have made that point.

Mr. Drew: Mr. Speaker, may I point out that what the hon. member has said he quite correctly has stated makes no sense. What was pointed out was that there is a government notice of motion that has stood on the order paper for some weeks as the expressed intention of the government. Instead of the member of the government, in this case the Prime Minister, in whose name the motion stands rising to present his argument in connection with the motion, another minister does so. He then moves an amendment. In the ordinary course of events the

minister in whose name the motion stands would make his remarks in support thereof and then, in accordance with the custom of the house, the opposition would have the right to speak in reply and on that occasion would then have the opportunity to present the first amendment which would be related to the motion itself.

Nothing I said can in any way be interpreted as suggesting that those independent members supporting the government who wish to move an amendment to a government motion are not perfectly free to do so. I have sought to point out that our procedure recognizes the division of the house into the government side and the opposition side. I sought to point out that the government in presenting a motion puts forward a proposition. It is then customary for the opposition to have an opportunity to deal with that primary motion and to attach to that motion such modifying amendment as in their opinion will improve the subject matter before the house.

The procedure now before you would change that course. I have only sought to indicate to you the effect of a decision in accordance with the argument that has been made, but under no circumstances would I wish to leave the impression that I was in any way limiting the independence of members on the other side of the house, which I would wish to see increased greatly day by day.

An hon. Member: Funny.

Mr. Speaker: I am prepared to make my ruling, but it is five o'clock. Shall I call it five o'clock or make my ruling?

Some hon. Members: Make your ruling.

Mr. Speaker: I wish to thank hon. members for bringing out so clearly the arguments for sustaining the amendment and also for declaring it out of order. The hon. member for Winnipeg South referred to the time in the proceedings at which the directions or instructions should be given, but I would also refer him to the fifteenth edition of May, page 593, where it states:

> Instructions may be given to committees at the time of their appointment, or at any time thereafter before they have presented their final report.

Therefore instructions can be given to the committee at this time.

The hon. member for Winnipeg North Centre referred to three instances in which I did not allow amendments to a motion to set up a committee, but I think—in fact I am sure—that if he looks up the records he will find in every instance where I have not allowed the amendment it has been because the amendment would have widened the powers set out in the notice. If I thought that this amendment widened the powers of the committee I would have no hesitancy in declaring it out of order. The Minister of National Defence (Mr. Claxton) spoke for a considerable time this afternoon referring to the expenditures and commitments dealt with in the Currie report. Not one member in this house rose and suggested that he was out of order. I think all hon. members will agree that he was in order. If it was in order for him to discuss those matters at this time, in my opinion it is within the competence of the committee to consider those expenditures and commitments, and in the first instance I would rule that this amendment does not widen the powers of the committee as set down in the notice of motion.

Another question was raised by the Leader of the Opposition (Mr. Drew) as to the effect on the procedure in this house if this amendment is allowed to stand. May I say that many hon. members may agree with him; but if so, and if the amendment does stand, is that not a question for the house to decide? Is not that a question that the house must consider and decide, whether the rules should be amended so that such an amendment cannot be made? That is not a matter which I must determine at this time.

Another point was raised—in fact I suggested it—with respect to the value of the amendment and whether it added anything to the motion or directed the committee in its procedures; but from the citation in May you will notice that the house has power to direct a committee as to its procedure. The point therefore that remains to be determined is the reference made to citation 407 in Beauchesne, third edition, which reads as follows:

> An instruction is a motion empowering a committee to do something which it could not otherwise do.

I would state again that if in my opinion this amendment empowered the committee to do something which it otherwise could not do I would rule it out of order. But an instruction may be in the nature of a motion to direct a committee to do something which it might not otherwise do. This committee has wide powers. It can consider the expenditures, etc., set forth in the notice. I think it is agreed that it can consider the expenditures and commitments referred to in the Currie report. However, the committee might not see fit to consider those things. This motion would direct the committee to consider the expenditures and commitments mentioned in the Currie report.

In my opinion this house has the power to direct the committee to do so, and for the reasons I have stated I must rule that the amendment is in order.

Mr. Pearkes: Mr. Speaker, I believe it is now five o'clock and that you wish to proceed with other matters?

Private Bills

Mr. Speaker: Under the rules I am required to call private and public bills.

PRIVATE BILLS

INTERPROVINCIAL PIPE LINE COMPANY

Mr. C. E. Bennett (Grey North) moved the second reading of Bill No. 41, respecting Interprovincial Pipe Line Company.

Motion agreed to, bill read the second time and referred to the committee on railways, canals and telegraph lines.

SECOND READINGS—SENATE BILLS

Mr. David A. Croll (Spadina) (for Mr. Winkler) moved that the following bills be read the second time:

Bill No. 63, for the relief of Robert Gordon.—Mr. Winkler.

Bill No. 64, for the relief of Helen Isabelle Hammond Dadson.—Mr. Winkler.

Bill No. 65, for the relief of Harold Gordon McFarlane.—Mr. Winkler.

Bill No. 66, for the relief of Dezso Ferenc Cross.—Mr. Winkler.

Bill No. 67, for the relief of Eric Ernest Auclair.—Mr. Winkler.

Bill No. 68, for the relief of Napoleon Jean-Paul Chayer.—Mr. Winkler.

Bill No. 69, for the relief of Marie Josephte Gilberte Belanger Byrne.—Mr. Winkler.

Bill No. 70, for the relief of Nina Difiore Statner.—Mr. Winkler.

Bill No. 82, for the relief of Kathleen Mary Wilkinson Paraskiewicz.—Mr. Winkler.

Bill No. 83, for the relief of Georges Chaput.—Mr. Winkler.

Bill No. 84, for the relief of Florence Anna Carsh Laing.—Mr. Winkler.

Bill No. 85, for the relief of Beatrice Miriam Kert Beloff.—Mr. Winkler.

Bill No. 86, for the relief of John Alexander Stronach.—Mr. Winkler.

Bill No. 87, for the relief of Raymond Gelinas.—Mr. Winkler.

Bill No. 88, for the relief of Anna Madeline Patterson Cotter.—Mr. Winkler.

Bill No. 89, for the relief of Claudia Marie Boudreau Leblanc.—Mr. Winkler.

Bill No. 90, for the relief of Lily Belzberg Bigman.—Mr. Winkler.

Bill No. 91, for the relief of Joseph Arthur Lesage.—Mr. Winkler.

Bill No. 92, for the relief of Minnie Gruhn Boon.—Mr. Winkler.

Bill No. 71, for the relief of Tillie Tietlebaum Victor.—Mr. Winkler.

Bill No. 72, for the relief of Elina Iacurto Floyd.—Mr. Winkler.

Bill No. 73, for the relief of Jennie Miller Solomon.—Mr. Winkler.

Bill No. 74, for the relief of Elia Kuczerian.—Mr. Winkler.

[Mr. Pearkes.]

Bill No. 75, for the relief of Ruth Audrey Lorraine Beauchamp Laderoute.—Mr. Winkler.

Bill No. 76, for the relief of Phyllis Newman Lunan.—Mr. Winkler.

Bill No. 77, for the relief of Helen Doreen Cave Crawshaw.—Mr. Winkler.

Bill No. 78, for the relief of Armand Frenette.—Mr. Winkler.

Bill No. 79, for the relief of Florence Brown Boyaner.—Mr. Winkler.

Bill No. 80, for the relief of Eileen Mercedes Hudson Walsh.—Mr. Winkler.

Bill No. 81, for the relief of Madeleine McCartney Ratcliff.—Mr. Winkler.

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

Mr. Stanley Knowles (Winnipeg North Centre): Before this motion is put may I again draw attention to the fact that it covers quite a number of bills. Indeed in this case the motion is for the second reading of thirty divorce bills. It is not my intention today, any more than it was yesterday, to take time to discuss these bills at this stage, but I do wish to register my continuing protest that we are still handling divorces in this way.

As hon. members know, it is my hope that some day we will decide to do it in some other way, and I take a little encouragement from the fact that at least one improvement seems to have developed out of the attention that some of us have been drawing to these divorce bills. That reform or improvement is that so far in this session every time a divorce bill has been called for second reading, at least it has been the case that the evidence has been printed and placed in our hands. That was one minor point that we used to complain about, namely that we were asked to proceed with these bills before we had the evidence. I hope the fact that that has been overcome means that attention is being given to the whole problem and that it will not be long before these and other divorce bills are dealt with in a more proper way.

Mr. Speaker: Shall the motion carry?

Some hon. Members: On division.

Motion agreed to, bills read the second time and referred to the standing committee on miscellaneous private bills.

INDUSTRIAL RELATIONS

AMENDMENT OF CHAPTER 54, STATUTES OF 1947-48—VOLUNTARY REVOCABLE CHECK-OFF OF UNION DUES

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. 2, to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off).

He said: Mr. Speaker, if I had hope that this bill would pass as readily as did the first private bill which came up today, or as readily as the thirty divorce bills just dealt with, I would refrain from saying anything at this time. I do hope that one of these times this bill will be given its second reading and referred to the standing committee on industrial relations so that progress may be made in writing into our national labour code a provision for the voluntary revocable check-off.

As I have indicated on previous occasions when this bill has been before the house, it is a measure which asks for a legislative enactment to provide the very minimum of what is known as union security. There are a number of ways in which union security can be provided, and I want to say that for my part I would like to see something even more effective and more useful than what is asked for in this bill. But at least this is a minimum form of union security, and it is already in effect in the labour codes of a number of provinces in this country. I have reminded the house on previous occasions of the fact that all parties in this house have, on various occasions, expressed their support of the principle of union security. In fact, all the opposition parties have been voting for this bill for several years now, and indeed there have been a fair number of members on the Liberal side of the house who, when a vote has been called, have stood up and voted for it. I am only surprised that the number of Liberals has been so few—it got as high as 17 two years ago—for at the last national Liberal convention, the one held here in Ottawa in 1948, it was made part of that party's platform that it stood for union security.

Now, Mr. Speaker, the provision in the bill is quite simple. It specifies that where a union is certified under the provisions of the Industrial Relations and Disputes Investigation Act, that union may request the check-off. If it does it means that the company is required to deduct from the pay of employees their trade union dues, and pay them over to the union, but only in the cases of those individual employees who indicate in writing that it is their desire that it be done. In addition to that provision, it is stipulated that after any person has directed that his dues be checked off in that way he can, at a later date, revoke that decision if he wishes to do so. In other words, that is the reason for the way in which this provision is defined, namely as the voluntary revocable check-off.

As I have already said, this is only a minimum way in which to guarantee union security, but at least it is a beginning. I have pointed out on previous occasions that this matter has been requested year by year by the major labour congresses in their representations to the government. I have no doubt but that it will be included in the representations they will make to the government again this year. I point out also that this is a provision in many of the provincial labour codes.

The only active opposition to this provision, so far as the federal law is concerned, of which we have been aware in recent years has been the occasional mimeographed circular distributed to the members of this house by the Railway Association of Canada. This association is, of course, an association of the employers, and that association from time to time has objected to this bill. The objection has been largely on the ground that it would involve considerable book-keeping. It has been pointed out in this house, not only by myself but by the member for Spadina (Mr. Croll) and others who have supported this measure, that that is really a rather specious argument, particularly in view of the fact that employers make a great many other deductions at the request of their employees.

Well, to me it is significant that no such protest against this bill has been received as yet this year from the Railway Association of Canada. I dare to think that the reason no such protest has come is because of the ruling of the board that dealt recently with the railway dispute between the railway companies and their non-operating employees. Hon. members will recall that that board was headed by Mr. Justice R. L. Kellock, and the other two members were Mr. Paul S. Smith, appointed by the employers, and Mr. David Lewis, appointed by the employees. Majority and minority reports were presented. In other words, there were many points on which there was disagreement between Mr. Justice Kellock and Mr. Smith, on the one hand, and Mr. Lewis on the other. However, at least this question of the check-off was one upon which they were agreed. Mr. Lewis, in his minority report, pointed out that he would like to see an even greater measure of union security for railway employees than just the check-off, but at least he was glad to join with Mr. Justice Kellock and Mr. Smith in recommending that the check-off, so far as railway employees are concerned, be instituted.

Reference to this provision in the majority report is found on page 43. The significant sentence reads as follows:

> With regard to the check-off, the board is of opinion that, as every employee now has the same

right as any other creditor to assign the whole or any part of any debt, present or future owing to him, the proposed clause is one that should properly form part of the new agreements.

I understand that on the basis of that report the check-off will shortly be in effect so far as railway employees are concerned. There is some question as to whether it will be on the basis of the Rand formula. At least what we are asking for in this bill is being accepted now by the railway companies of Canada, and in this case by their non-operating employees.

I submit, Mr. Speaker, that since this group of employees constitutes perhaps the largest number of employees who come under federal labour jurisdiction, there is now no reason at all why there should be any reluctance or any resistance on the part of the government to writing this measure into the federal labour code. The wording of the section that would be added by the terms of my bill is, in fact, the wording that was drawn in the Department of Labour. The story behind that, briefly, is that in 1948 when the industrial relations committee was dealing with the federal code it was moved by the hon. member for Spadina, as a member of that committee, that the check-off provision be written into the labour code at that time. His motion carried, although it was on a very close division. After his motion carried, although it did not have the support of Mr. Mitchell, then minister of labour, the minister had one of his officials come back the next day and suggest that if this provision were to be written into the code perhaps it would be well to have it written in language that the legal advisers of the Department of Labour thought most appropriate.

The hon. member for Spadina accepted the language drafted by the legal officers of the Department of Labour, and it is that language which forms the main part of the bill now before us. Some members may wonder what happened to that provision which was written into the labour code in 1948. The fact is that when the bill came back to the house to be considered in committee of the whole, a private member on the government side moved that that clause which had been written into the bill in the committee be deleted. After considerable debate in this house that amendment carried and the provision which we thought we had won was stricken from the national labour code.

As I have already said, support for this measure has been growing. The number of members who voted to keep that clause in the bill in 1948 was 35. The next time there was a vote on this proposal was in 1950, when 45 members voted for it. The next vote came in 1951, on February 28, when 67 members voted for it, and included in those 67 were all the members of the opposition groups who were present and 17 members on the government side of the house plus the hon. member for Comox-Alberni (Mr. Gibson).

I am encouraged by that growth in support for this measure from year to year. I am encouraged also by the fact that this principle has now been accepted by the railway companies and by the employees. I hope that on this occasion we will not have the kind of argument against it that we have had on previous occasions, but that the house will agree to the second reading of this bill so that it may go to the standing committee on industrial relations for consideration by that committee.

Mr. A. F. Macdonald (Edmonton East): Mr. Speaker, I have listened with a great deal of interest to the remarks of the sponsor of this bill on the revocable check-off. Two years ago a similar bill was introduced by the same hon. member. At that time I had occasion to make a few comments in this house with regard to the provision not only of the check-off or the nature of the check-off that was introduced in the bill at that time, but also with regard to my interpretation of the thinking of trade union people as to the type and the character of the check-off they required to give them the kind of union security they would need in order to have a healthy trade union organization.

I do not wish to be insular in again speaking on a trade union subject in this chamber, but I believe at this time we should review some of the matters that have been discussed on this question. I should like to take this opportunity to say that I was greatly impressed by the remarks made in the previous debate by our present Minister of Labour (Mr. Gregg). On this occasion I desire to place on the record what I believe to be pertinent information with regard to the Industrial Relations and Disputes Investigation Act, and I am going to take a couple of minutes to read into the record from page 639 of *Hansard* for February 23, 1951, an extract which I believe indicates responsible thinking with regard to the check-off. At that time the Minister of Labour had this to say:

If today parliament steps in to legislate on such matters as the check-off, another parliament at another time may attempt to settle the issue in quite a different way. Present legislation adequately promotes free collective bargaining and parliament should consider carefully before going beyond this point by resolving issues which parties to collective bargaining can best resolve themselves.

The ideal behind any industrial relations legislation, I believe, in a free enterprise economy is the promotion of sound industrial self-government. We

may not possibly come nearer to that goal by legislating on such substantive terms of employment as the check-off.

Then the minister went on to say:

> The more I study it, and the more I see the operation of our Canadian Industrial Relations and Disputes Investigation Act, the more I like it and the more I feel that we should go slow in unnecessarily making it a policeman for either bargaining party. It may not be a perfect act, but there are not many things in the world that are perfect—

I agree with those words of the Minister of Labour. I would say that the act may not be perfect, but I would also say that in its present form it is the best means yet devised to produce a good climate for labour and management to meet in and to decide their differences responsibly.

In 1951 I said that I believed in the check-off that was negotiated, not one that was legislated. No one knows better than do trade unionists and management that there must be good will in every document that is executed and signed by both parties. At that time, of one union for which I had a great deal of respect, I said that when they again opened their contract for negotiations with management, they would be able to negotiate the kind of check-off that would be acceptable to the people embraced by that agreement, both at the management level and at the employee level. I do not like to take this occasion in the House of Commons to say that at that time I was right, as has been proven by the fact that just recently 17 major railway organizations were able to meet management around the bargaining table like gentlemen, to discuss their problems, to find ways and means of settling their differences, to include a check-off which goes far beyond the kind of innocuous check-off that is suggested in the bill before us, then to sign an agreement for a stipulated period of time and to work under that agreement with good will.

Now that it has been proven to the hon. member for Winnipeg North Centre (Mr. Knowles) that matters of this kind can be negotiated, I am surprised that he should still pursue this question and persist in endeavouring to persuade the members in this chamber to support an innocuous kind of check-off that is not nearly as good as that which trade unionists and management have been able to agree on in recent months. In other words, if this provision is written into the Industrial Relations and Disputes Investigation Act, it would not only be a floor but a ceiling, and it certainly is not as good as what the unionists themselves and management have been able to agree on.

I am grateful to the hon. member for Winnipeg North Centre for affording me the opportunity of saying, two years subsequent to 1951, that what I said in the chamber at that time has borne fruit and that my thinking on this question has been proven to be correct. Because I have the confidence of many trade unions people and am able to interpret their thinking correctly, I was able to suggest that subsequent to 1951 an agreement, which the men and management would say embodied good will, would be signed by both parties and would include a proper form of check-off.

I believe I said in 1951 that discussions of this type are useful. This one certainly serves a useful purpose in allowing me to tell Mr. Speaker and hon. members, and particularly the hon. member for Winnipeg North Centre, that the Industrial Relations and Disputes Investigation Act has worked very well since 1948. I am confident that it will work well in the future, and that it allows the widest possible scope for labour and management to meet in a healthy atmosphere, and to arrive at agreements with good will. It will allow those in industry, including those engaged in transportation services, opportunities to work under collective agreements, and to enjoy the very best of working conditions made possible by legislation placed on the statute books by a federal administration.

Mr. Pierre Gauthier (Portneuf): Mr. Speaker, this is the second time I have taken the opportunity to speak on a measure of this kind. I recall that when a similar measure was discussed last year I said that to a certain extent it would diminish if not extinguish the sovereignty of unions. I saw a smile on the face of the hon. member for Winnipeg North Centre (Mr. Knowles), and even on the face of the hon. member for Spadina (Mr. Croll). I have not forgotten those smiles.

During the recess I took the trouble to find out if I was the only one who thought as I think in this matter. To my support I bring the good opinion of a very strong socialist in France, Daniel Guerin, who has written a book in two volumes entitled Où va le Peuple Américain?—"Where are the American people going?" In this book I found valuable information. If I am not too far out of order I would say that from the book I learned that the first sit-down strike occurred in 1914, and that a second one developed in 1923 by Mussolini in Milan and Turin. However, I must not go too far in making reference to the information I got from the book, because in doing so I would be out of order.

I should like, however, to place on record Mr. Guerin's opinion of the check-off. At page 217 of the first volume he says:

> The employers deduct from the payroll of the workers belonging to a syndicate the amount of syndical contributions, and send it to the syndicate. This combination is eminently favourable to syndical bureaucracy—

And this from a socialist!

> —because it insures the latter, in a comfortable chair, the regular coming in of funds. But the check-off has the worse inconvenience of deepening the ditch between the base and the direction of the syndicalized world.

Again I say that this is a socialist speaking.

> It establishes the employer, as Daniel de Leon said, as some kind of treasurer of the United States.

And Daniel de Leon was another socialist in the United States.

> The worker is under the impression that the fists, the patronate and the syndicate are but one and the same immense, anonymous machine, firmly installed above him, and against which he can do nothing. In not paying his contributions directly to the syndicate, or to his agent, on the very place of labour, he loses the habit, if he had it, of going to the office of the organization. He does not look at it as if it was his, and his connection with the syndicate's agent in the manufacture stays weak.

That is the opinion of a good socialist who has spent two and a half years making a survey in the United States. He looked into the capitalist world in that country, the formation of workers' unions, the situation of the coloured people, and the agricultural situation in the southern part of the United States. This is his opinion, an opinion absolutely unfavourable to the check-off. As my hon. friend has just said, I am not against the voluntary check-off, the check-off that develops after a getting together of employees and employers, after friendly discussion and friendly agreement within the union, when employers are prepared to accept the check-off and to bring it within the bounds of a special industry.

I think favourably of that procedure, and for this reason, that when there is an understanding between employers and employees there is at the same time a development of that friendship that is so greatly needed between these two groups in the community. We need that friendship and that perfect understanding because in the world, in Canada, there are those who live on misunderstandings between employers and employees. There is a philosophy that thrives on social unrest and misery. It thrives, too, on misunderstandings between employers and employees. It is certainly worth-while if employers and employees can get together more often and come to an understanding on points affecting an industry or a syndicate. It is beneficial to all concerned if a spirit of friendship can be developed between them, so that the syndical and the employers' worlds may understand each other better.

That is what we need, and that is why I ask at this time that the check-off be not given approval through a law passed by parliament, but rather that it be permitted to operate in certain industries on a basis of free and friendly understanding. This is the second time I have given my opinion in this connection. I was more interested, however, in placing before the house the opinion of a socialist who shares the philosophy of the hon. member for Winnipeg North Centre, and to point out that even the advocates of that philosophy entertain differences of opinion as to the desirability of imposing by force of law the provision for check-off in this country. I hope the measure will not pass this year.

Mr. Paul E. Cote (Parliamentary Assistant to the Minister of Labour): Mr. Speaker, on several occasions I have voiced my views on the principle of this bill. In fact this is the fourth time that a bill to amend the Industrial Relations and Disputes Investigation Act has been presented for this purpose. I should like to make a few remarks tonight which I did not have the opportunity to develop at any length in the past.

At the outset I wish to assure my hon. friend that I have nothing against the check-off of union dues, in itself, or against any stronger measures of union security. On the contrary, I fully approve the principle of those measures. If there is anything within my control that I can do to increase the number of contracts in industry containing provisions for union security or the check-off of union dues I shall never hesitate to do it.

May I say to the hon. member for Winnipeg North Centre (Mr. Knowles) that I think the criterion which should guide this chamber in deciding whether this bill is desirable should be this. Is the underlying principle of this bill consistent with the basic principles of the act it intends to amend? From the arguments which have been advanced in support of the passing of this bill I am inclined to believe that this important aspect of the question has not been examined as it ought to have been and that no convincing case has been made to justify the change which it advocates in the statute at this time.

The Industrial Relations and Disputes Investigation Act embodies basic principles which should not be altered without reasonable cause or without applying the same measure of caution which was applied in the

drafting and passing of that act. Those principles are freedom of association, certification of bargaining units, free collective bargaining on all matters subject to agreement between employers and employees, and compulsory compliance by both parties with the machinery set up for the settlement of all disputes.

Union security provisions, including any measure of check-off of union dues, have hitherto been considered as matters for collective bargaining. It is true as some hon. members have said, more particularly in this debate the sponsor of the bill, that in six provinces the labour relations acts include provisions for the voluntary revocable check-off. But in discussing the bill no one has given any indication as to what procedure was followed, whether management was consulted and had agreed or what was the situation as far as the check-off was concerned, in the provinces where such provisions were included in the labour acts.

Four important provinces, Manitoba, New Brunswick, Ontario and Quebec—the last two being the most highly industrialized provinces—have not yet deemed it to be in the best interests of good labour-management relations to enact such a provision. In the attitude which these provinces have taken, to stand by the principle of free collective bargaining, they are in complete accord with the federal act. They still believe that the time has not yet come to introduce any compulsory feature in the field of collective bargaining, that if they did this without previous consultation and a certain measure of agreement with and by both parties in industry they would be setting a precedent of unilateral if not arbitrary statutory action which might become dangerous in the future, in that it could be invoked by some other government for legislative action which might not be in the best interests of trade unions and of labour-management relations in this country. Once a legislative body has determined by statute and made compulsory a provision which is normally dealt with by collective bargaining it opens the door for more and more intrusions of the same kind by the state in a field which ought to belong exclusively to labour-management negotiations.

I have in mind to say a few words this afternoon on the recently-concluded agreement between the railroad companies and the employee brotherhoods, but I shall leave this until the concluding part of my speech.

I should like to remind my hon. friends that trade unions have gained in importance, in strength and in influence during the past decade to an amazing degree. If one reads the *Labour Gazette* today he will have an opportunity of realizing each month what this increased strength of the trade unions has brought by way of benefits to their membership. This is a clear indication that through the bargaining process the unions have succeeded in getting what was in the interests of their rank and file.

The principle of free collective bargaining is the cornerstone of the federal labour relations act. That should not be altered, any more than any other major provision in the act, without consultation with and at least a certain measure of agreement by both parties who will be affected by the change. That was the purpose of the then minister of labour, the late Hon. Humphrey Mitchell, when he submitted the initial draft of his legislation to the national bodies of management and labour.

On the one hand there was the Trades and Labour Congress of Canada, the Canadian Congress of Labour, the dominion legislative council of railway transportation brotherhoods and the Canadian Confederation of Catholic Syndicates, representing labour. On the other hand there was the Canadian Manufacturers Association, the Canadian Chamber of Commerce, the Railway Association of Canada and the Canadian Construction Association, on the management side. The measure of agreement on the major provisions of the act which was then obtained from both sides was indeed gratifying. This consensus of opinion gave the assurance that the legislation was initiated on solid ground and should not be altered in its major provisions without determining and following the best possible procedure which would tend to safeguard the prerogatives of all concerned.

The initial draft of the labour act was submitted to and approved in its broad principles by the provincial ministers of labour. There was no necessity to do this, but the late Humphrey Mitchell showed wisdom in availing himself of the opportunity provided by a conference which was taking place with his colleagues in the provinces on other matters to seek their views and secure their agreement on the main features of the bill which was then being considered. This consultation has paved the way for the inclusion of section 62, which tends to promote as much uniformity of legislation as possible between the two levels of government and to make possible the administration of any provincial act by the federal Department of Labour if any province so desires.

These consultations with the provinces, management and labour organizations brought out valuable suggestions which contributed to the improvement of the initial draft of the

bill. A second draft was prepared which was introduced here during the session of 1947, and was referred to the standing committee on industrial relations. It received serious consideration. The organizations which I have already mentioned were invited to appear before the committee. They did so and submitted their considered views on the proposed legislation. The bill was redrafted and reintroduced in 1948, thoroughly examined by the committee, and finally adopted and brought into effect on September 1, 1948.

The administration of this statute has given good results so far. It would be unfair and unwise, I submit, to amend an important feature of such legislation without seeking that measure of previous consultation and concurrence with all parties concerned, and not only a few of them. The Department of Labour is not and must not become identified with the interests of one of the parties in industry to the exclusion and seemingly against the will of the other. The minister and his officials have always striven to uphold and safeguard their position as mediator between the two parties, and in their legitimate effort to hold that balance they must be inspired and assisted by legislation and regulations which have been enacted in the same spirit of impartiality as between management and labour.

If parliament were to enact the bill sponsored by the hon. member for Winnipeg North Centre (Mr. Knowles), what stand could it take if and when management organizations would attempt to obtain, by legislative action, provisions which might react against organized labour as has occurred in other countries? I should like, if I may, to cite here a few words of the late Humphrey Mitchell, which may be found in *Hansard* for 1947 at page 4231. He said:

> . . . may I say that we have received representations for the inclusion of measures severely curtailing union activities; from others have come suggestions which would involve, under certain conditions, the compulsory application of the principle of union security in collective agreements and the adoption of other innovations.
>
> We have not given effect in this legislation to such representations, since it is not the desire of the government to place impediments in the way of free collective bargaining between employers and their organized workers, or to legislate conditions or terms of employment that properly lie in the field of collective bargaining.

In the same speech on June 17, 1947, the late Mr. Mitchell had this to say:

> Human nature cannot be corrected by a law, and in the final analysis the major consideration in improving human relations between employers and employees is the simple matter of trying to see each other's point of view and developing mutual understanding.

[Mr. Cote (Verdun-La Salle).]

There are other quotations from the same gentleman which would be of interest in discussing this subject, but I would hurry on to a reference which I should like to make to statements by my hon. friend and by others who supported him in the presentation of this amendment in years past. I refer to the debate which took place on the bill to put an end to the railway dispute which had resulted in a nation-wide strike in 1950. On August 30 the leader of the C.C.F. (Mr. Coldwell) said that the house must try to "ensure that free collective bargaining and social justice will remain fundamental parts of our Canadian way of life". The hon. member for Vancouver East (Mr. MacInnis) had this to say, as found at page 39 of *Hansard* of the same date:

> Nevertheless the workers are fearful—and I believe they have every reason to be—that if this bill passes employers will take it as a precedent and that whenever workers make demands there will be no further bargaining in good faith because employers will expect the government to make the same provision for them.

My good friend and practically my deskmate in the house, the hon. member for Spadina (Mr. Croll), had this to say, as found at page 39 of *Hansard* for that session:

> Yet this bill could be construed as saying to the trade unions that in such and such circumstances you are no longer free to exercise your rights.

Further on he said:

> Neither today's government nor today's opposition in this house can undertake to say what the effect of passing this bill will be, though we say it is confined to a particular strike in 1950. There it is for all of us to see in the future. We ask ourselves the question, will it not be extended in the future by administrations less friendly to labour than our own?

As a matter of fact the hon. member for Spadina made a very thought-provoking speech on that occasion, and I should like to quote more of what he said. Further on he had this to say:

> I believe it would be nothing short of a national calamity if we were to substitute something else for the collective bargaining process . . . Compulsion can force the parties to submit to a given procedure. It may even force them to accept unwillingly certain results. But I think this house knows very well that forced obedience generates resistance and hostility. Far from being a cure, it is a source of further conflict and it multiplies strife instead of preventing it. Compulsion never removes the cause of the strife.

Mr. Deputy Speaker: As it is six o'clock, the hour for private and public bills has expired. At eight o'clock the house will resume consideration of the business which was interrupted at five o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

DEFENCE EXPENDITURE

APPOINTMENT OF SPECIAL COMMITTEE

The house resumed consideration of the motion of Mr. St. Laurent for the appointment of a committee to examine defence expenditures and commitments, and the amendment thereto of Mr. Claxton.

Mr. G. R. Pearkes (Nanaimo): Mr. Speaker, in rising to take part in the debate in connection with this resolution which was in the name of the Prime Minister (Mr. St. Laurent) and introduced this afternoon by the Minister of National Defence (Mr. Claxton), which calls for a select committee to be appointed to continue the examination of all expenditure of public moneys for national defence, etc., I would first like to call attention to the fact that members on this side of the house have for many years been pressing for committees to be set up to discuss and investigate the handling of moneys which were allocated to the Department of National Defence out of the public treasury in order to provide for the essential services for the defence of this country and for the fulfilment of those obligations which Canada has undertaken in the international field.

The reason we have been pressing for the establishment of those committees was that we felt there was sufficient evidence to indicate that the taxpayers' money was not being spent to the best advantage. I remember quite clearly that in my first session in this house after I had been elected in 1945 this question of the establishment of committees was raised. I am not going back to quote from the record as far back as that, but I would just like to put on the record a statement which was made by the present leader of this party in April of 1949, when at page 2322 of *Hansard* these words were used:

> In past years requests have been made for a select committee to examine this subject—

That is the question of national defence.

> —and to report to the house upon the basis of information of that kind. Without the delay involved in submitting any formal resolution I urge upon the government, in all earnestness and seriousness, the immediate setting up of a special select committee to examine the present state of our national defence and to make recommendations in regard to future organization and requirements.

In the year 1951, on May 8, the hon. member for Calgary East (Mr. Harkness) used these words, at page 2840 of *Hansard:*

> I think the only way we can do it at all reasonably is by means of a committee on defence. We have asked for such a committee every session during the past several years, and every session the minister has produced a number of what I would call excuses as to why such a committee should not be set up. I think there is no question but that this is the only way a real scrutiny of defence estimates and expenditures can be made by this House of Commons, and I would again urge the minister to set up such a committee.

In 1950 and again in 1951 I moved resolutions in this house to appoint such a committee. The wording of the resolution I moved on March 14, 1950, is to be found on page 730 of *Hansard* and is to this effect:

> It is expedient to appoint a special committee of this house to examine and report upon the Department of National Defence and the armed services of Canada; and that such committee have power to call for persons, papers and records, and to report from time to time to this house.

Again the following year I moved a similar motion. In every case these motions were defeated by the supporters of the government casting their vote against them. Even though the committee which was set up a year ago, and the select committee which is being set up now to continue the work of that committee established a year ago were not entirely the type of committee that we were recommending in those days, I believe it is fair to say that that committee has achieved beneficial results to this country. This has been done even though the committee has found difficulty in obtaining all the information that it required, and even though at times its full endeavours, as I shall show later, have been restricted.

The main results accruing from the endeavours of this committee have been that there has developed in all service establishments across this country a general tightening up of the administration, undoubtedly due to the light of publicity which has been thrown on their system of organization and administration as a result of the researches made by this select committee. We are in favour, therefore, of establishing another select committee to continue the work which the select committee of last session started. We hope that a full opportunity will be given to that committee to investigate all the operations and expenditures of money by the defence services, as outlined in the resolution which is before us at this time.

This afternoon the Minister of National Defence (Mr. Claxton) dealt at some considerable length with the report that has been submitted by Mr. Currie, who had been asked by the minister last spring to inquire into certain alleged irregularities that it was suspected had occurred at the great camp at Petawawa, particularly in connection with the army works services. The minister read from a prepared statement of some considerable length, which took up some hour and a

half of time this afternoon. I believe that the house expected a full and complete statement, because the minister had not been present when the Currie report was tabled. He was away in Europe on government duty. I should like to make an interjection here to welcome him back to the house, and to express my pleasure that he survived the flights across the Atlantic and the other perils to which he was exposed. We welcome him back in safety and in good health. Perhaps he would not mind my saying that it might have been just as well that he was not here when the report was tabled, because I doubt very much whether we should have gotten home for our Christmas recess.

However, the long report the minister has made requires further study, and I cannot hope to deal with it adequately this evening though I shall do my best to reply to some of the remarks he made. To begin with, he told the story of the works services and of the corps of engineers of the Canadian army. He pointed out that these works services had been reduced to very small strength a few years ago before the Korean operations started, and because they were understaffed they found that they had a tremendous amount of work to undertake. In his report Mr. Currie refers also to the same difficulties that the units of the works services experienced.

I should like to point out at this time that the reduction of those units, as well as the reduction of many other units, both fighting and administrative, was the direct result of Liberal government policy adopted a few years ago. This policy reduced these units to mere skeletons. The works services found that they were ill-equipped to play their part in providing that reasonable security which the Department of National Defence, under this government, was charged with providing in fulfilment of its obligations. It is no disgrace to the soldiers of the works services that they were few in number. I should like to emphasize the point that the reduction in the strength of these units was the direct result of the government's policy. When these units were faced with the rapid expansion which was required in order to meet the crisis which had gradually developed in Korea, they found that they had neither the equipment nor the personnel to provide that rapid expansion. These disturbances in the Far East were like the writing on the wall, and could well have been foreseen. These units, however, ran into difficulty because of the faulty government policy of those days.

Personnel had been demobilized and many of the old reliable works foremen, warrant officers, petty officers and so forth, had been let out at the end of the war. There was difficulty in providing personnel who were trained in administration, personnel who, through years of having to stretch the very scanty funds which were provided for national defence in those days, had grown up with the psychology that the taxpayers' money must be carefully guarded and made to go as far as possible. This psychology has perhaps a great many points which the younger soldiers have not as yet appreciated.

Then because of the hasty demobilization the various training camps across the country from the Atlantic to the Pacific had been allowed to deteriorate, with some of the equipment being looted, and some camps like that at Farnham finding that huts had been completely removed.

Mr. Deputy Speaker: Order. May I ask hon. members to preserve silence. Otherwise it is exceedingly difficult to hear the hon. member who has the floor.

Mr. Pearkes: These camps had been allowed to fall into a state of disrepair, and so an extra burden fell largely upon the works services.

Then the minister went on to explain the table, appendix "B", which is at the end of the Currie report. He referred to a good many figures which I have not been able to study or check. In fact at one time I felt that I was almost back in school again dealing with some problem in algebra which went something like this: If X equals 154, and Y equals 33, then X over Y equals 15. I think those were the figures given by the minister, although he did not refer to the Y's. We shall have to inquire into those matters in further detail.

Then he went on to assure us that the Currie report had received consideration and that many of the recommendations had already been adopted. We forecast that possibility when this matter was under discussion before Christmas; and we can only express satisfaction that some action has already been taken on the recommendations made in the report.

To sum up that part of the minister's remarks, it would seem to me that he was once again giving us assurances that all was well. In fact, he almost appeared to be defending the army. Mr. Speaker, the army does not need any defending. It is the government which needs to be defended. It has been clearly demonstrated that, while there were opportunities for theft, fraud and dishonesty elsewhere, the army still refused to march through the door which had been left open to the would-be pilferer. No, Mr. Speaker, the army does not require any

defending. It is for the government to defend itself and to explain how it has taken care of the $2 billion of the taxpayers' money which this department has been called upon to expend in the cause of national defence.

Last spring, as reported at page 2334 of *Hansard* of May 19, 1952, the Minister of National Defence (Mr. Claxton) said:

> Our job is to use every means possible so as to ensure that the utmost care is taken in safeguarding public property and in preventing loss, whether it be by fire, theft, fraud or any other means.

With that statement we most heartily agree, but it has to be shown that at the time the government was exercising every means it had at its disposal in order to prevent this loss through fire, theft and fraud. In the Currie report, almost at the beginning of it, when discussing the discovery of the irregularities at Petawawa Mr. Currie uses these words:

> —it is an unhappy circumstance that the beginning of this investigation lies not inside the Department of National Defence and its full complement of regulations and supervising personnel, but with the receipt of an anonymous letter couched in the following terms:

Then he gives the terms of the letter which called attention to the losses and which aroused the interest of the Royal Canadian Mounted Police. Then Mr. Currie in his report goes on to use these words:

> Before reciting the irregularities and their circumstances uncovered by the R.C.M.P.—with the assistance later of the provincial police and the army provost corps—it must be said that internal warnings had not been lacking in the Department of National Defence. The chief auditor of the department had performed his functions conscientiously. Time and again he had reported unsatisfactory conditions.

Then he goes on and refers to appendix "B" which I have already mentioned, and he closes that paragraph by saying:

> Aside from reports being delayed for considerable periods of time, the record shows the next audit revealing conditions similar to those previously reported, and in some cases, worse. The process is then again repeated.

These matters have been brought to the attention of the Department of National Defence. Surely the serious implications of a report by the chief auditor of the department should have been brought to the attention of the minister and government. It is for these reasons that I feel the government is charged with the responsibility; and the government has shown that it has not taken every possible means to safeguard the taxpayers' money, in spite of the fact that in that very spring the Minister of National Defence was declaring that his job was to take care of the taxpayers' money by every possible means.

Then the minister went on to say that nobody wished to question the report, but he himself proceeded to do so. First of all he raised the question of the horses, which has become a laughingstock and the gibe of every cartoonist across the country. He declared that the Prime Minister (Mr. St. Laurent) the day before had announced that there had been no horses on the payroll. However, I could not help remarking that the Prime Minister himself based those remarks partly upon information supplied by a man who had been convicted of dishonesty and placed in a penitentiary. He seemed to prefer the statement of a criminal to that of his own appointed investigator, Mr. Currie; because Mr. Currie distinctly says there were horses on the payroll under the names of non-existent labourers. Then the minister went on to say:

> There are a number of other cases in which the account given by Mr. Currie is not wholly in accordance with the facts which were established.

I do submit that Mr. Currie was sent to establish the facts. And no doubt Mr. Currie did establish those facts, even though they may not be particularly welcome facts for the government.

There is some question about a dam being built at Tucker creek at the cost of some $3,000 or $4,000. The minister explained that that was carried out as an exercise by the engineers. Well, I have no doubt that the engineers would be required to be exercised in the construction of dams. It is a fortunate fact—perhaps I should say it is a peculiar circumstance—that Tucker creek was in the centre of an area which many years ago was a favourite rendezvous of the Petawawa fish and game club.

Then the minister went on to explain about the Canadian National Railways, and the spur which Mr. Currie said had been taken up to replace the rails of the Canadian Pacific Railway spur, after the rails of the C.P.R. had been stolen, or at least after officials of that railway had protested against the sudden disappearance of those rails. The minister referred to these C.N.R. rails by saying: "I am sorry the report contained a reference to the Canadian National Railways. It turned out not to be so. I am sorry it contained a reference to the horses, though I am glad they were not on the payroll."

Regarding the C.N.R. track, there is a spur which leads from the Canadian National line into Petawawa Camp. It has been there for years and years, and everyone refers to it as the C.N.R. spur. If the rails had been laid by the government, instead of by the C.N.R., then I suppose in general terms it would be correct to say that they were not

C.N.R. rails. But for years and years that spur has been referred to as the Canadian National spur.

Then we were admonished to view the report in its correct perspective. I do not wish to go into every detail of the report, because there is no time for that; but I think one of the general and main points in connection with what Mr. Currie found is that there was a general breakdown in the system of administration, supervision and accounting. Those are the words which are to be found very near the beginning of the report, at page 2 of the typewritten copies. It is said that this resulted in or created a generally lax administrative situation. From that Mr. Currie deduced that such a situation would give rise to waste and inefficiency far more costly in loss than that covered by the actual dishonesty.

Then, dealing with Petawawa camp itself, he referred to a small group of crooks—and they were a small group—who did take advantage of the door which the government had left open for them so they could loot and pilfer from that camp. I think the majority of hon. members know what was taken from the camp, because it has been mentioned many times in the press across the country. One need only refer to the 550 tons of so-called scrap, which included many things which were far from being scrap, such as serviceable kitchen ranges, shower stalls and the like.

Then there was a question as to lumber which had been stolen during the process of clearing large sections of the camp. Cement had been taken or had not been accounted for to the extent of some 18,000 bags. I am told that about a thousand bags of cement go to make one carload, so one might almost say that 18,000 bags would be approximately a trainload of cement which was missing altogether.

Contractors had been paid for work which had not been done, or which was completed with the loan of army equipment and personnel.

In the attempt of the government to belittle what took place—and there has been a very definite attempt on the part of the government to belittle the general breakdown in the system of administration, supervision and accounting, as reported in the Currie report—this process of belittling has taken the form of trying to refer to these very considerable losses as being relatively small matters. It is possible that they may be relatively small matters when compared with the possible losses elsewhere, in areas which have not been submitted to the scrutiny of Mr. Currie and his team of accountants,

because Mr. Currie's endeavours were limited to the relatively small field of the army works services, mainly at Petawawa camp, though he did investigate and did find some irregularities in other camps serviced by the army works services.

These are not relatively small matters if viewed in regard to the actual loss of taxpayers' money, and the lowering of morale that has been caused by all these losses, through the light of publicity that has been thrown upon them. When Mr. Currie was first appointed the Minister of National Defence (Mr. Claxton) said:

> We felt that no better man could be found to do this job if we searched the length and breadth of the country.

Then he went on to point out that Mr. Currie was an ex-officer who had served during the first world war with distinction, that he had been a deputy minister of the Department of National Defence for a number of years, and that he was also a member of a very prominent firm of chartered accountants. It is certain that nobody on this side of the house, or anywhere in the house, disputed the fact at that time that Mr. Currie appeared to have all the qualifications which were necessary to carry out such an investigation. Now we are asking ourselves, why has Mr. Currie fallen from grace; because it is quite obvious that in their endeavour to play down and belittle his report they have not stopped even at casting reflections upon Mr. Currie himself. I wonder whether, when they made the appointment, they overlooked the fact that Mr. Currie, besides his qualifications as an ex-officer, a deputy minister of national defence and a chartered accountant, was also an honourable and honest gentleman.

I said that an attempt was being made to belittle this report. It started when the Solicitor General (Mr. Campney) replied just before Christmas. In referring to quotations which have been made from the report by hon. members on this side of the house he described them as exaggerations, as irresponsible statements. Then last week on Vancouver island the Minister of Fisheries (Mr. Sinclair) referred to the Currie report merely as "threshing old straw." On Vancouver island the Solicitor General also referred to the report and said that it would not "cut much ice." The Minister of Trade and Commerce (Mr. Howe) was a little more emphatic, and when speaking at Kingston he is reported as having said that "it was a rehash in lurid language" of matters already dealt with by the courts or by the department.

I have read out some extracts from this report. It has been made available to every hon. member; it has been published in the

papers. I defy any hon. member to point to any lurid language which is used in the report. The report is written in the most moderate terms, but it has stated honestly and exactly what the conditions were as they were found by Mr. Currie when he was making his investigation. Even though the Solicitor General may laugh, I think he will find it very difficult, with his knowledge of the English language and the meaning of words, to point to any sentences which really can answer to the description of being lurid in language.

Well, after drawing attention to these irregularities and to the losses which had been sustained at Petawawa camp, Mr. Currie draws various conclusions and makes these observations: Although the Department of National Defence auditors were warned again and again over a lengthy period that supervision and accounting were inadequate, no effective action was ever taken, with the result the situation grew progressively worse and the discovery of thefts, following investigation, came not from the department itself but from an anonymous letter to the Royal Canadian Mounted Police; and again:

> No reliable estimate of the total loss can be prepared. . . How many more there may have been will never be known.

And again:

> There was, in addition, a serious collapse in security. There was little to prevent or to detect the organized plundering of military stores on a systematic scale. . . If there is excuse for inefficient accounting, there is none for the failure of security which is, after all, a prime military consideration. I take a serious view of this breakdown.

Perhaps the Solicitor General considers that lurid language. I do not know. I do not think it would answer the description of the word "lurid" as given in the Oxford dictionary, or in any other reliable dictionary.

Then there is a paragraph which has been quoted before in this house, and which is found on page 17 of the report, which summarizes the conditions to which I have already referred this evening. These are the lurid words of the framer of this report, Mr. Currie:

> The situation was complicated by still another factor. The Department of National Defence (including the army works services) was largely staffed and manned by men whose military training had been received in wartime. Its establishment and administrative practices reflected more clearly the urgent needs and exigencies of war, when speed is everything and costs count not at all.

That is again the direct result of government policy. The government had seen fit to remove many of the more senior, perhaps more elderly, staff officers of 1946-1947, and they had been replaced very largely by the younger commanders who had quite naturally grown up in this war psychology. I remember pointing out at the time the dangers of this policy. I made this statement in this house on the 6th day of February, 1947, when speaking in the debate on national defence, as reported at page 173 of *Hansard:*

> I suggest that all the substance has been taken out of our defence force and that today there remains only the wreckage of the overhead framework.

In those days the government had reduced the services to such a state that they were not in an efficient position to carry out their responsibilities. And even in those days attention had been called by the Auditor General, and by the auditors of the department as well, to the unsatisfactory accounting conditions which had existed. At the same time we were receiving solemn assurances that all was well, and that there were no irregularities or deficiencies in the various construction projects at Petawawa camp. Mr. Currie shortly afterward was carrying out his investigation, and he was reporting that there were unauthorized projects, that there were improper loans of material and that the rental of army equipment was taking place to civilian contractors.

In the recently published Auditor General's report for last year these irregularities are confirmed, and other cases have been cited that deal not only with Petawawa camp but with other army establishments throughout the country. He complains of the complicated accounting system which has prevented losses from being reported and brought to the attention of those responsible for the safeguarding of the taxpayers' money. I might cite as an example of that the mixing of gas and fuel oil at Churchill which, according to Mr. Sellar, seems to have cost the taxpayers somewhere in the neighbourhood of $75,000 or $80,000.

I do suggest that if the government were really determined to safeguard the taxpayers' money it would not have adopted the policy of belittling the Currie report. I think it is one of the tragedies of this whole unfortunate episode that the government should have adopted the attitude of ridiculing and belittling the report. It would have been far more seemly if they had swallowed the pill and decided that they would investigate the conditions thoroughly. It would have been far more seemly if they had, with a contrite heart, accepted all the recommendations made by Mr. Currie. It is a pill that they must swallow. It may be an unpleasant one, but unless all the ingredients of the pill are taken we shall never get the patient well again.

Mr. Rowe: They are choking on it now.

Mr. Pearkes: It was proposed by the Minister of National Defence (Mr. Claxton) this afternoon, and was also mentioned by the Prime Minister (Mr. St. Laurent), that the report would be referred to the select committee which is now to be set up. I suggest that it is action that is required, and not the referring of the report to a committee. We might well examine the constitution of the select committee to be set up to continue the work of last year's committee. It is to consist of some 26 members. According to the constitution of the committee last year, 17 of its 26 members were members or supporters of the government. In other words, 17 out of 26 were Liberals. Six were drawn from the ranks of the Progressive Conservative party and three from all other groups in the house. Therefore if the representatives of the Conservatives and the other groups all voted together they were only able to marshal 9 votes against the 17 of the supporters of the government on the committee.

I do not think it is going too far to say that the committee was really a one-party organization. If members from the opposition groups wished to find out about certain matters and it was not the wish of the government that details along those particular lines should be revealed then these matters were a closed book to the committee. It was suggested that the committee should take up the question of Petawawa camp. That was refused. It was said that we must not go into the matter of Petawawa camp because the Currie commission was investigating it. There was some question about making inquiries regarding item No. 87(a) on a list provided for us, which item dealt with aircraft for the R.C.A.F. and the navy. One would think that a defence expenditures committee would be permitted to investigate the expenditure of a sum which at that time was listed at no less than $668,986,840, of which over $100 million was to be spent in that year. But no; the committee must not investigate any spending in connection with such a large sum of money as $668 million odd.

Obviously when the government does not like its actions to be queried it finds means in that committee and elsewhere to limit the investigations which the committee would like to carry out and the disclosure of information which should be brought to attention elsewhere. It is fairly obvious that no sooner had the Auditor General's report been tabled than officials of the Department of National Defence, unnamed of course, rushed into print and started to comment upon the remarks made by the Auditor General. This department is following the pattern set up by the government. It is resentful of any criticism which may be offered of it. We are uncertain whether the committee now to be appointed will be able under the circumstances to carry out the duties that have been assigned to it. Immediately after the house rose for the Christmas recess the Leader of the Opposition (Mr. Drew) communicated with the Prime Minister (Mr. St. Laurent).

Mr. Speaker: Order. I hesitate to interrupt the hon. member, but it does occur to me that he is coming close to questioning the independence of the members of the committee.

Some hon. Members: Oh, oh.

Mr. Speaker: He has not gone quite to that extreme, but he is close to it. There is a rule of the house that every member is an independent member.

Mr. Cleaver: They are the only honest members.

Mr. Speaker: Order. I felt that I should bring the rule to the attention of hon. members at this time.

Mr. Rowe: Let us be careful not to hurt anybody's feelings.

Mr. Pearkes: Mr. Speaker, when you rose to point out that you thought that I might be questioning the independence of members I was about to read a letter written by the Leader of the Opposition to the Prime Minister just before Christmas. I have the permission of the Leader of the Opposition to read it. In fact I think the letter has been published, and I do not think you will find anything in it that questions the independence of any member of the house, myself or anybody else. These are the words which were used in the letter:

> You said that the Currie report would be submitted to the committee on defence expenditures. One of my reasons for writing this letter is to point out that this procedure is neither necessary nor desirable. Members of the opposition who sat on the committee made a determined effort last spring to inquire into the situation at Petawawa. They were denied any opportunity to do so with the explanation that this might prejudice the trials of those already charged with theft, and also that Mr. Currie had been appointed to conduct an inquiry, which would deal fully with that situation.
>
> We need no inquiry into the report of another inquiry. We need action on the report now before us. It makes positive recommendations. You have expressed your confidence in Mr. Currie's integrity, ability and good judgment. We share that confidence in every respect. I submit that it is the duty of the government to act on those recommendations without delay. I further submit that it is the duty of the government to conduct a similar inquiry into every aspect of the organization and administration of the Department of National Defence. I repeat my request that Mr. Currie be given this authority.

Now, if those words were pertinent, as they were before Christmas, they are very definitely underlined now that the Auditor General's report has been received. We fear, as we have said before, that the defence expenditures committee may not be able to go into all the details of operations and expenditures of money that it would like to go into. Petawawa camp has been cited as one case and it is possible that the committee, in its final report or in its actions which will produce that final report, will reflect the will of the government rather than the rights of the citizens because, whether we would like to feel we can be independent or not, we do know that there is party discipline and that it is such that the government can rely upon the majority of its supporters to support it in anything it does. In fact, I would go so far as to say that in some respects we have travelled a long way on the road to Moscow and that we do live on the edge of a dictatorship.

Some hon. Members: Hear, hear.

An hon. Member: It is the return trip that is tough.

Mr. Pearkes: In case the committee cannot fulfil all the functions that it would like to fulfil or that it is called upon to fulfil by the Prime Minister's resolution, I move, seconded by the hon. member for Calgary East (Mr. Harkness), a further amendment which reads as follows:

(a) By striking out the words of the amendment, namely: "and initially to give priority in their examination to the expenditures and commitments of the Canadian army works services as dealt with in the report of G. S. Currie, Esquire, chartered accountant, tabled in the House of Commons on December 15, 1952", and,

(b) by adding at the end of the motion as amended the following words:

"and inasmuch as the report of G. S. Currie on the Department of National Defence is a matter of prime importance to the people of Canada this house is of the opinion that the said G. S. Currie should be authorized to continue his inquiries and conduct a similar investigation to that already undertaken into all aspects of organization, accounting and administration of the Department of National Defence."

Mr. St. Laurent: Mr. Speaker, on a point of order, I think the first part of this motion, part (a), is out of order because it is merely a negative of the proposal that these words be inserted in the motion. It is nothing but an expanded negative, and those who believe that the proper course would be not to have the words of the amendment in the motion have only to vote against the motion to insert them.

As to the second part, it is certainly not an amendment to the motion and certainly not the kind of proposal that can be put before the house without notice.

Some hon. Members: Ha, ha!

Mr. St. Laurent: My hon. friends may say "ha, ha" all they like.

Mr. Rowe: What a difference a few hours make.

Mr. St. Laurent: I would not like to be out of order but I am afraid that the horse complex is having some influence upon the expressions that we have just heard.

An hon. Member: We know all about horses.

Mr. Rowe: And so do you fellows.

Mr. Speaker: Order.

Mr. St. Laurent: Perhaps I should sit down and allow the hon. gentleman to have his say.

Mr. Rowe: I will proceed if you wish—at any time.

Mr. Speaker: Order.

Mr. St. Laurent: This is something that proposes an alternative to the setting up of a committee and that, I submit, is not the kind of thing that can be done by amendment. I think that Your Honour made it quite clear this afternoon what the ruling that had been cited to you did apply to and what it did not apply to. You said that it did not apply to an instruction to do something in the committee that it would have the right to do but would not have an obligation to do if the amendment were not made. This is entirely different. This is the expression of an opinion:

"and inasmuch as the report of G. S. Currie on the Department of National Defence is a matter of prime importance to the people of Canada this house is of the opinion that the said G. S. Currie should be authorized to continue his enquiries and conduct a similar investigation to that already undertaken into all aspects of organization, accounting and administration of the Department of National Defence."

That, I submit, is not an amendment to a motion to set up a committee. It is something that is entirely foreign to the subject matter of what is now before the house.

Mr. Harkness: Technicalities.

Mr. Drew: Mr. Speaker, I would point out that this is not a negative of the proposal to set up a committee. It leaves the motion to set up the committee intact.

Mr. St. Laurent: Mr. Speaker, I made that reference only with respect to part (a) of the motion which is a negative of the amendment to the motion. I did not say that the whole thing was a negative of the original motion, it is a negative of the amendment to the motion.

Mr. Drew: Mr. Speaker, it leaves the motion to set up the committee intact, and puts forward an amendment related to the subject matter of that motion. It provides a method by which there can be a real inquiry in accordance with the needs demonstrated to this house. I submit it is both in order and desirable that the amendment stand.

Mr. Rowe: It should stand, even though it is dangerous.

Mr. St. Laurent: The hon. gentleman is not as dangerous as he thinks he is.

Mr. Rowe: Wait and see.

Mr. Chevrier: We have been waiting for a long time.

Mr. Rowe: Let the public tell you. It will not be long now; they are waiting to tell you.

Mr. Speaker: Order. The amendment to the amendment proposes to strike out entirely the words of the amendment, and to substitute other words which are not relevant to the amendment. I do not think there is any precedent for that.

Mr. Fleming: Mr. Speaker, are you giving a ruling now or will you hear argument on the point of order?

Mr. Speaker: I was starting to give my ruling.

Mr. Fleming: I did not know whether you were delivering your ruling or whether you were stating a point for discussion.

Mr. Speaker: I do not want to abruptly cut off the hon. member if he has any representations to make. I have made one statement respecting my ruling, that the first clause of the subamendment is out of order because it proposes to strike out the entire words of the amendment and to substitute therefor words which are in no way relevant to the words which were struck out.

Mr. Fleming: May I say a word with respect to that, sir? The amendment which was offered this afternoon by a minister of the crown to a government motion, proposes that certain instructions be given to the committee with reference to the Currie report. The Prime Minister (Mr. St. Laurent) says that the amendment just now introduced by the hon. member for Nanaimo (Mr. Pearkes) is an expanded negative with reference to the subject matter of the first amendment offered this afternoon. With respect, Mr. Speaker, I submit that it is not an expanded negative but an alternative method of dealing with the same subject matter, namely the Currie report. The subamendment proposes that Mr. Currie, the author of that report, be instructed to extend the report and the inquiry upon which he has already embarked.

Now, with respect, Mr. Speaker, that is not an expanded negative. In order to come within the rule the Prime Minister is invoking it has to be an expanded negative and nothing more. This is a great deal more. This deals with the same subject matter, and with great respect I submit that on the first point the Prime Minister's objection is not well taken.

On the second point, sir, the Prime Minister raises the ground that this is a new subject matter that is introduced. I take the view that, in its essence, the amendment introduced by the hon. member for Nanaimo is clearly in order if the amendment introduced this afternoon by the Minister of National Defence (Mr. Claxton) was in order on the original motion. There cannot be any distinction in principle between these two amendments as to their being in order with reference to the motion that was introduced by the Prime Minister today. If it means that this amendment to the amendment is to be ruled out now by this appeal of the Prime Minister to subtlety, I think it will be clear to the house and the public just why it was that a government minister this afternoon introduced this amendment to a government motion.

Mr. St. Laurent: Could I ask the hon. member who moved this subamendment if the language is not somewhat erroneous. He speaks of striking out the words of the subamendment, and there is no subamendment. There is a motion and an amendment. I think the hon. member—

Mr. Pearkes: It should be "the amendment".

Mr. St. Laurent: I think the hon. member meant the words of the amendment, and the word "sub" should be taken out.

Mr. Speaker: As I said this afternoon, I cannot be concerned with what the effect of either allowing or disallowing an amendment will be. If the rules of this house provide that the amendment should be allowed, then I will allow it to stand. If, on the other hand, they provide that it should not be allowed then I cannot allow it to stand. If hon. members are dissatisfied with the rules of the house then it is for the members of the house to change them, not for the Speaker of the house.

The hon. member for Eglinton (Mr. Fleming) has referred to the amendment which was moved this afternoon, and stated that if that amendment was in order then the subamendment should be in order. I think the contents of the amendments are entirely different. The amendment which was allowed this afternoon directed the committee to give priority to a certain matter. I think

all hon. members, upon reading the rules and upon reflection, will agree that such an amendment is in order.

I am now concerned with the subamendment that has been moved. The (a) clause of the subamendment purports to strike out all the words of the amendment and to insert other words which are not relevant to the words that are struck out. To that extent, the subamendment is out of order. The (b) clause of the subamendment proposes that this house is of the opinion that the said G. S. Currie should be authorized to continue his inquiries. The motion before the house is to set up a committee to do certain things. It does seem to me that the (b) clause is foreign to the motion which is now before the house.

Probably the mover of the motion had in mind the procedure on the second reading of a bill. On the second reading of a bill a motion can be made that the bill be not now read a second time but that certain further information should be sought, etc. I know of no such procedure with respect to the setting up of a committee. I have no alternative but to declare the subamendment out of order.

Probably at this time I should refer to certain words which were used by the Leader of the Opposition (Mr. Drew) this afternoon. Before doing so, however, I should like to say that the *Hansard* reporter was correct in not endeavouring to read, on the floor of the house, the report which he had made of the proceedings in the house. I hope I did not embarrass him by suggesting that he should do so. I think the house will agree with me that in our service there are no more faithful or efficient public servants than the members of the *Hansard* staff. The only thing I can say is that he missed the opportunity of being the first *Hansard* reporter to make a speech on the floor of the house.

With reference to the words that were used this afternoon, may I say that I have here a copy of the *Hansard* report. I have had an opportunity of reading it and on doing so I find that no one—myself, the Prime Minister (Mr. St. Laurent) nor the Leader of the Opposition—recalled exactly what had been said in the heat of debate. Under the circumstances I am satisfied that I should accept the words which the Leader of the Opposition recalled that he had used. In those words I can find no intention to reflect on the independence of any hon. member. Accordingly the incident should be considered as closed.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am sure the house will be interested to learn that it is my intention, at the conclusion of my remarks, to move another subamendment. I believe that my subamendment will be recognized as being in order. It has been drafted with a close consideration of the discussion that took place this afternoon, and I believe it meets the conditions that were laid down when the amendment of the Minister of National Defence (Mr. Claxton) was accepted as being in order. However, Mr. Speaker, before I get to the subamendment which it is my intention to move, I wish to say a few things with respect to the motion and the amendment now before the house.

We of this group support the idea of there being established once again a special committee on defence expenditure. We are fully conscious of the shortcomings of that committee, particularly because of the fact that it is composed of too large a majority of supporters of the government. If a committee of this type is to be effective, we feel that here is one place where the committee should be divided fifty-fifty between supporters of the government and opposition members in this house. In addition, I should like to see an independent chairman; but I am not just sure who is an independent member in this present House of Commons.

Some hon. Members: Oh, oh.

Mr. Knowles: I say that with all due apologies to the hon. member for Comox-Alberni (Mr. Gibson). At any rate, Mr. Speaker, we hope that this committee will be able to make inquiries that will be useful, and that some progress will be made in tightening up the administration—and in particular the financial administration—of the Department of National Defence.

Likewise we have no quarrel with the substance of the amendment moved this afternoon by the Minister of National Defence, which suggests that the defence expenditure committee should give priority to consideration of the Currie report. In saying this we have no illusions as to what is likely to happen. We are satisfied that there will be an attempt by the government members of that committee to whitewash that report. Nevertheless, in our view the report stands on its own feet and an attempt to whitewash it, though it may be done by a majority vote, will not be effective or successful in the eyes of the Canadian people who have been shocked at the disclosures which have come about as a result of the investigation made by Mr. Currie.

Having said that, Mr. Speaker, I want to say that in our view the speech of the Minister of National Defence (Mr. Claxton)

this afternoon, while it covered a great many aspects of the matter now before us, was one in which he completely overlooked what to us is one of the most serious aspects of this whole question. Not only did he, in our view, overlook what we regard as of serious concern, but he made comments which seemed to me to suggest that he would not appreciate the seriousness of the point even if it were drawn to his attention. The point that we feel is most serious about this whole business is the question as to the proper place of the armed forces in a democracy. Are they the servant of the state, of the people of the country through their elected representatives, or are they in charge? Are the armed forces entitled to dictate to the government and to push other people around? In our view there has been too much evidence of that attitude throughout this whole business, and that is our primary concern at the present time.

I may say, Mr. Speaker, that during the last month several things have happened which have underlined our concern as to who is running the show, the heads of the army or the elected government of this country. Our first concern over that matter arose on the morning of December 15 when the Prime Minister tabled the official copy of the Currie report. Hon. members will recall that, when he tabled the report, he placed on *Hansard* at the same time a memorandum from the chief of the general staff. During the course of his remarks at that time he stated that he was giving us that memorandum because the chief of the general staff thought that the views contained in that memorandum should be given publicity at the same time as the revelations contained in the Currie report itself. When the Prime Minister was questioned by my deskmate, the hon. member for Melfort (Mr. Wright), during the course of debate in the next day or so as to why he had done this, the Prime Minister interjected to say that he was prepared to give the answer right then and there. He said he did it because he was requested to do so by the chief of the general staff. In our view, Mr. Speaker, the chief of the general staff had no right to ask the elected Prime Minister of this country to table that memorandum, and in our view the Prime Minister had no right to accede to that request. We take a strong view of that whole incident as indicative of a state of mind on the part of the top officers in the army which is not consistent with democratic practice.

It should be made clear, Mr. Speaker, that though what we say seems to be by way of levelling blame at the chief of the general staff, it should not be forgotten that it is the Minister of National Defence (Mr. Claxton), it is the Prime Minister (Mr. St. Laurent), it is the government which is responsible for the kind of set-up that they have in the general staff, responsible for the attitude that the heads of the army display in a situation like this. They have to take the responsibility for it; and as the heads of a democratic state I submit that they are missing the whole point.

Now, that was the first evidence in this present story of the domineering attitude on the part of the military staff. The second evidence, in our view, was the fact that a draft of Mr. Currie's report was shown to the deputy minister of national defence, and perhaps was seen by others, with the result that suggestions were made as to changes that might be made in that report.

I shall have something to say a little later about the fact that a copy of the first draft of this report came into the possession of my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell). But let it be made clear right now that no one doubts the authenticity of this draft which my leader received, and no one denies that changes were made.

Between the first draft and the second draft changes were made. For instance, on page 17 the words "at or near the top" were deleted and in their place were put the words "higher up".

The Prime Minister confirmed on Wednesday, December 17, that a copy of the first draft of the report had been given to the deputy minister of national defence, and that at least one other official in the department had seen it. When I asked whether the chief of the general staff had seen it, he said that he did not know. This afternoon the Minister of National Defence likewise confirmed the fact that that first draft of the report was placed in the hands of the deputy minister. And we learned one further item this afternoon from the minister, namely that prior to that first copy of the report in multilith, there was a typewritten copy showing the form in which the report was to be set up, and that that, too, had been shown to the deputy minister.

The Minister of National Defence said this afternoon that he could not understand why we were at all concerned about the fact that the earlier draft, or earlier drafts, were shown to the deputy minister. He made great play on the fact that it was he who had appointed Mr. Currie, and that it was his desire and wish that there should be this report.

I suggest to the Minister of National Defence that what this parliament and this country thought when Mr. Currie was appointed to do this job was that we would get a completely independent report—and I

hope I can still use the word "independent" in this house. We had hoped it would be a completely independent report, objective and without any influence being brought to bear on the investigator by those being investigated.

Now, how anyone can imagine that there would be a complete lack of such influence, when earlier drafts of that report were taken to the people being investigated, is beyond my power to understand. The Minister of National Defence, although he is the minister and thus the head of the department and responsible for it, seems to partake of the attitude of his top officials and officers, because he told us this afternoon that when Mr. Currie objected to showing Mr. Drury the first copy—the first multilith copy—he, the Minister of National Defence, suggested to his deputy minister that further conversation be had about this, and that perhaps Mr. Currie could be persuaded to let a copy of his report in that form be seen by the department.

In other words, the Minister of National Defence is part and parcel with his military heads, and all the rest of them, in this feeling that in connection with any investigation that is being made into the affairs of that department, any report to be made upon the basis of that investigation can be seen by them before that report is put in its final form and presented to the minister for presentation to parliament.

In other words, along with the earlier incident to which I referred, here you have what to me is proof positive of the fact that in the military heads of this country today we have this feeling, that somehow or another it is their show, that they have the right to say what is to be done, that they have the right to run it, rather than it being the right of the elected people, or of the government chosen by the people of this country.

Mr. Speaker, to us this is a matter of principle which is extremely important, and we feel that this government has been in power so long that it has forgotten some of the basic principles of democracy. It has forgotten the relationship that should exist between the government of a democracy and the armed forces.

Mr. Ferrie: You sure have forgotten the principle.

Mr. Knowles: Now, after that part of the story, the next item which was of interest to me was to read in the press a day or two after we left here for the Christmas recess that the same chief of the general staff—and if I mention his name repeatedly, I say again it is the Minister of National Defence who is responsible for what the chief of the general staff does, and who is responsible for the whole attitude of the people who come under him—had issued certain orders.

Indeed as I have said, I was amazed to read in the press that the chief of the general staff had issued orders that members of the armed forces and employees of the Department of National Defence were requested not to discuss the Currie report. Well, Mr. Speaker, the more these things come to light, the more one wonders just how well those on the government benches understand the meaning of democracy. Surely it is inconceivable that employees of the Department of National Defence and, in fact, people in uniform, should be denied the right to discuss the Currie report. Well, it is inconceivable; but we have had so many displays of this arrogant and domineering attitude on the part of the top military people who do not seem to realize that this is a democracy, that perhaps it is all of a piece that they seek to deny the right to free discussion.

But while the chief of the general staff denies to the people to whom he can issue orders the right to discuss the Currie report, he does not hesitate to discuss it himself. One need only mention the memorandum he requested the Prime Minister to table on December 15, when the Currie report was first tabled. But there is now before us the December issue of the *Canadian Army Journal*. This issue is dated December, 1952, but apparently it came out only within the last day or two. So far as I can ascertain it made its appearance only yesterday.

I find on pages 2 and 3 of this issue a message to the Canadian army from the chief of the general staff. It is over the signature of G. G. Simonds, lieutenant-general, and chief of the general staff. Hon. members are aware of what is in this message, because it has been given wide publicity in the press of today. It is a very nicely worded document. It does not say members of parliament have been saying some things they should not have said, but the reference is very clearly to the discussions which have gone on in this House of Commons. It says, for example:

> In recent weeks and months the army has been the target of unremitting attacks from many sources. We have been criticized for the indiscipline of Canadian soldiers. We have been criticized for too much discipline. We have been criticized for extravagance and criticized for not providing a whole host of things which cost a very great deal of money. We have been criticized for lack of morale and accused of complacency and arrogance when we have shown or proclaimed a pride in the Canadian army.

Then he goes on, after a few more sentences, to say:

> Some of this criticism has been, and will continue to be, unfairly biased and irresponsible—

That is what the chief of general staff is saying about what members of parliament, in discharging their responsibilities to their constituents, have been saying here in the House of Commons. He says:

> Some of this criticism has been, and will continue to be, unfairly biased and irresponsible but that will be as clear to the citizens and taxpayers outside the army as to those that serve in it.

Perhaps it would not have been quite so bad for the chief of general staff to take to himself the right to make these comments about discussions that have taken place in parliament, if he had not already been responsible for an order requesting those to whom he can issue orders not to discuss the Currie report. The concluding sentence in this message from the chief of the general staff reads:

> I charge every soldier to apply himself in all those matters where we clearly need improvement but not to be discouraged or depressed by criticisms which are neither founded on truth nor justified in the light of our positive achievements.

Whose criticism is he referring to as neither founded on truth nor justified? The criticisms made in this House of Commons; the criticisms made by Mr. Currie? Apparently it is both. I submit, Mr. Speaker, that it is high time the minister, who accepts responsibility for all that goes on in the armed forces, took a look at this kind of thing and asked the question as to where it fits into the whole concept of democracy under which, in our view, the armed forces should be the servants and not the masters of the state.

Well, still another bit of evidence of this attitude has already been referred to by the hon. member for Nanaimo (Mr. Pearkes) who took his seat only a few moments ago. As hon. members know, there appeared yesterday the public accounts and the Auditor General's report for the year ending March 31, 1952. In this report there are a number of references to things that had been happening in the financial administration of the armed forces. There is reference to a brigadier who for three months was drawing two government pay cheques, one for his service as a civil servant seconded to duties here in Ottawa and one for his rank in the army. There is reference to an area commandant who had something to do with having a house improved to the extent of $15,000, when the amount approved for those improvements was only $800; and incidentally, it comes out now in the press at any rate that that particular person was Brigadier Connelly who was recently retired, and we in this house were not given at that time the information as to why he was retired. It raises another question. Why was this brigadier posted to Tokyo, if it was after the disclosures contained in the Auditor General's report with respect to his part in going beyond the financial regulations under which the Department of National Defence is supposed to function?

The Minister of National Defence said clearly, and I was not surprised—I would expect him to say what he said this afternoon, in view of his academic knowledge of democracy—that he is responsible for what goes on. Well, he is responsible for this. Immediately we get the tabling of Mr. Watson Sellar's report we get a blast from the officials of the Department of National Defence against Mr. Watson Sellar. Well, it is not the first time that the Auditor General has been criticized. The Minister of Finance (Mr. Abbott) has criticized him on the floor of this house, and it is his right to do so; but I submit that the heads of the army are in a little different position, particularly in the light of what has been going on. When the same people who have been taking this attitude in all of the instances I have indicated here, again take that attitude today in the light of Mr. Watson Sellar's report, that is a clear indication that we have to check this kind of thing and ask the question whether or not the general staff of our army is getting out of hand and seeking to run the show which should be run by the democratically elected people of this country.

I could say more on this whole question, Mr. Speaker, because of our deep concern about it, but despite the fact that my forty minutes will not be up at ten o'clock I should like to finish by that time. As I indicated earlier, there are at least two other things I want to do. At the end of my remarks I have an amendment to move. But before I do that I wish to say something in reply to what the Minister of National Defence said about the earlier copy of the Currie report which came into the possession of my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell).

The Minister of National Defence expressed the view that it was a matter of serious concern as to how the hon. member for Rosetown-Biggar got that earlier copy, and I am not surprised that there would be interest in that question on the part of hon. members opposite but I suggest to them that they will fail if they try to make a red herring out of that issue and try to blow it up and becloud the real issue, so far as our getting a copy of that report is

concerned, which is the fact that changes were made, and that they were made after suggestions had been given to Mr. Currie's representatives by officials of the Department of National Defence, and perhaps by officers of the general staff.

However, this afternoon the Minister of National Defence said that he would like to table certain correspondence between himself and Mr. Currie, between himself and myself, and between himself and the hon. member for Rosetown-Biggar. I expressed the desire that that correspondence not only be tabled but that it appear on the pages of *Hansard*. That request was granted. I had a particular reason for expressing the hope that that particular correspondence would appear on the pages of *Hansard*. My reason was that I wanted everyone to be able to see what it was that the Minister of National Defence wrote to the hon. member for Rosetown-Biggar. The correspondence with me is of no particular significance, but it is on the record. I have not yet seen the correspondence with Mr. Currie, but I shall read it with interest. The Minister of National Defence wrote the hon. member for Rosetown-Biggar on January 8, 1953, and after expressing the hope that my leader's health would soon be better—and I am glad to report that he is making a splendid recovery following his recent operation—he went on to say that Mr. Currie had indicated that he would welcome any further investigation which the department or any other authority might deem was expedient to make from any angle or direction. Then after that the Minister of National Defence says:

> The R.C.M.P. are being instructed accordingly.

An hon. Member: Why not?

Mr. Knowles: The letter continues:

> Before, however, they start, it would be of assistance if you could make available to me any information that you may have bearing on this.

I thought that threats in the House of Commons, threats from one member of parliament to another, were out of order in this democratic set-up, Mr. Speaker. But here we have a veiled threat from the Minister of National Defence to the hon. member for Rosetown-Biggar that if he is not prepared to give information as to how he got his copy of the report the R.C.M.P. will be put on the job.

Some hon. Members: Why not?

Mr. Knowles: All those hon. members who are shouting "why not" are simply revealing that they have no understanding of the importance of the independence of parliament, which is definitely threatened by this attitude on the part of the minister.

Mr. Claxton: May I ask just one question? I have interrupted no one in this debate, but does the hon. member know that the letter received by the hon. member for Rosetown-Biggar, his leader, was not stolen?

Mr. Fulton: That is a sensible interruption!

Mr. Speaker: Order.

Mr. Knowles: I have been in touch with my leader, the hon. member for Rosetown-Biggar, since I came to Ottawa and he has given me the letter which he received from the Minister of National Defence and also a copy of the reply which he wrote to the minister. I only regret that my time is running out and that I have not time to read the full terms of that letter.

Some hon. Members: Go ahead.

Mr. Knowles: It is not necessary because it will be on *Hansard*. It was put on *Hansard* this afternoon and hon. members can read it. In my view it is an excellent letter when one realizes that my leader dictated it in hospital without having any chance to refer to the authorities in connection with this whole question. Now, Mr. Speaker, by way of contrast with this—

Mr. Martin: Question.

Some hon. Members: Answer the question.

Mr. Knowles: What question?

Mr. Martin: The Minister of National Defence asked a question.

Mr. Knowles: I thought I answered the question.

Mr. Speaker: Order.

Mr. Claxton: I thought the loudspeaker apparatus was very good, Mr. Speaker. The question I asked was this: Was the hon. member for Winnipeg North Centre aware of the fact that the letter received by his leader and referred to by him in the house, which is the subject of his present remarks, was not stolen?

Mr. Hees: So what?

Mr. Fulton: The question is not improved by repetition.

Mr. Knowles: I am sorry; I misunderstood the Minister of National Defence. When he said "letter" I thought he was referring to the letter from the Minister of National Defence to my leader.

Mr. Claxton: I beg your pardon. I made a mistake there. It is a draft of the report. I am sorry I used the word "letter". I was referring to the draft of the Currie report, of course.

Mr. Knowles: The minister admits that he made a mistake. It was a report that my hon. leader received and not a letter. There was no letter with it whatsoever.

Mr. Claxton: That is right; the report.

Mr. Ferrie: Who stole the report?

Mr. Speaker: Order.

Mr. Knowles: It had been my hope to conclude my remarks by ten o'clock.

Mr. Cannon: Will the hon. member permit a question?

Mr. Knowles: Yes.

Mr. Cannon: Will the hon. member tell the house who stole the copy of the report and who received the stolen goods on the part of the C.C.F. party?

Mr. Knowles: May I ask the hon. member if he has stopped beating his wife?

Some hon. Members: Hear, hear.

An hon. Member: That's the way to go.

An hon. Member: Isn't that bright?

Mr. Knowles: I am afraid I shall have to renege on my promise to try to finish by ten o'clock. I will have to take a bit of time to conclude what I have to say on the next occasion this matter is before the house, but between now and ten o'clock I do want to—

Mr. Larson: Will the hon. member permit another question?

Mr. Knowles: Save it for the next day.

Mr. Larson: Is he prepared to answer the question put by the hon. member for Iles-de-la-Madeleine (Mr. Cannon)?

Mr. Knowles: I wish to let the house see how differently matters of this kind are dealt with in another parliament. I refer to the parliament of the United Kingdom, often referred to as the mother of parliaments, a place from which we still have a great deal to learn. I have in my hand a copy of the *Hansard* of the House of Commons of the United Kingdom for June and July, 1938.

An hon. Member: Answer the question.

Mr. Knowles: Hon. members may recall a very interesting and significant incident that occurred during that year in the United Kingdom when a member by the name of Mr. Sandys put a question on the order paper—

Mr. Cannon: On a point of order, Mr. Speaker, if a member permits a question does he not have to answer it?

Mr. Speaker: It is in the discretion of the hon. member who has the floor.

An hon. Member: He used it.

Mr. Knowles: Mr. Speaker—

An hon. Member: Answer the question.

Mr. Dickey: He answers if he has an answer.

Mr. Knowles: Mr. Sandys, as hon. members may recall, placed a question on the order paper of the United Kingdom House of Commons which revealed that he was in possession of certain information that the government thought he was not entitled to have. As a matter of fact it was information covered by their official secrets act. The report that came into the possession of my leader was not covered by any official secrets act. It was not a government document. The minister himself said today that there is only one official Currie report, the one that was tabled in the house on December 15. The document that came into the possession of my leader was not a government document at all. I submit that the government has no right to question my leader with respect to how he got it. If Mr. Currie wishes to do so that is his business, but it is not a government document that we are talking about when we refer to the report received by my leader.

Mr. McCann: You have contended all day that it was a government document.

Mr. Knowles: The Minister of National Defence said today there was only one.

Mr. McCann: You have contended all day it was a government document. You said it was a government document.

Mr. Knowles: The first draft of a document which was later presented to the government.

Mr. McCann: You did not say that.

An hon. Member: Don't bother with that backbencher.

Mr. Knowles: Mr. Speaker, getting back to the story of Mr. Sandys, when that question appeared on the order paper of the British House of Commons he was called into the office of the attorney general, corresponding to our Minister of Justice (Mr. Garson), and asked to disclose the source of his information. He refused. The attorney general of the United Kingdom government of that day—

Mr. Fleming: A Labour government?

Mr. Knowles: No, 1938.

Mr. Fleming: I thought you said 1948.

Mr. Knowles: The Chamberlain government, a Tory government, very much Tory. The attorney general of that day told Mr.

Sandys what the law was and that he was liable to a certain fine or to imprisonment for two years. Mr. Sandys said he would seek advice on the matter. Within a few days he was up on the floor of the British House of Commons raising a question of privilege over the fact that he had been interrogated in that way by the attorney general. I am sorry that time does not permit me to read what took place.

Some hon. Members: Go ahead.

Mr. Knowles: The result was a very interesting procedural and constitutional debate in the mother of parliaments over the rights and privileges of members of parliament. A motion was moved by the then prime minister, the Right Hon. Neville Chamberlain, and such well-known figures as the Right Hon. Clement Attlee and the Right Hon. Winston Churchill took part in the debate. The remarks of Sinclair, Churchill, Attlee, Henderson and others—and I shall give the quotations the next time we come back to this matter—were all to the effect that the government had the legal right to take action against a member of parliament but in the name of the rights and the privileges of parliament it should not do so.

It was made crystal clear by men like Churchill, Attlee and others that if you told members of parliament that they would have to disclose their sources of information you would strike at one of the very springs of the whole democratic process. I invite hon. members to read that most interesting and important debate and then to compare what happened there with what is happening here. There in the mother of parliaments they respect the privileges and the freedom of individual members of parliament. They have an idea of the independence of members and they expect members of parliament to be free to serve their constituents and to do what they think is best for the well-being of the country. Not only was there this interesting debate on the floor of the house, but a motion was passed to set up a committee to go into the whole question. The committee made a report which is contained in a document from which I could also quote. Look at the difference.

Mr. Ferrie: May I ask a question?

Mr. Knowles: No; next time. When I finish my speech I will be glad to answer a dozen questions from the hon. member for Mackenzie (Mr. Ferrie). Note the difference, Mr. Speaker. Over there the whole concern is to protect the privileges and the freedoms of members. Here when a member like my leader, the hon. member for Rosetown-Biggar, receives information which he feels it is his duty to have brought before the House of Commons, he gets a letter—while he is in hospital—threatening the use of the R.C.M.P.

Some hon. Members: Oh, oh.

Mr. Knowles: I believe I have another eight or ten minutes, Mr. Speaker, and I will reserve the conclusion of my remarks until I come back to the subject at the next opportunity. Before I close, however, perhaps I might indicate, so that you will have it, sir, and so that other members will know what it is, the terms of the amendment that I intend to move, and which is to be seconded by my colleague the hon. member for Cape Breton South (Mr. Gillis), at the conclusion of my remarks. The amendment will read as follows:

> That the amendment be amended by adding thereto the following words:
>
> "and to give consideration to the desirability of recommending that Mr. Currie be asked to conduct a further inquiry into any other expenditures and commitments covered by the terms of this resolution."

On motion of Mr. Knowles the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow is private members' day. We will proceed according to standing order 15.

Mr. Fraser: The government will be glad of that.

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

APPENDIX

OTTAWA, December 22, 1952

Air Mail
Special Delivery
George S. Currie, Esq., C.A.,
McDonald, Currie & Company,
507 Place d'Armes,
Montreal, Quebec.

Dear Mr. Currie:

Having returned over the week end from the meeting of the North Atlantic council, I take this opportunity of acknowledging personally the receipt of your report on investigation of army works services which was handed to Mr. C. M. Drury, deputy minister of national defence, on Monday, December 8, and which reached me in Paris on Sunday, December 14.

I find from *Hansard* for December 15 that Mr. Stanley Knowles, member of parliament for Winnipeg North Centre, stated in the House of Commons that he had been comparing some of the pages in your report which had been tabled in the house that morning with, and now I quote from Mr. Knowles, "the same pages in another printed copy of the report" which had been in the possession of his leader for a few days.

The Prime Minister and Mr. Campney inspected the document in Mr. Knowles' possession which bore the same date as your report and appeared to be the same in form and type as the report itself, though it was unsigned and had textual differences referred to by Mr. Knowles. This would lead one to believe that what Mr. Knowles had in his possession was a duplicate copy of the draft of your report dated November 26.

As you know, your representative on November 27 left with the deputy minister one copy of a draft of the report bearing the date November 26 and reproduced in the same manner and by the same process as the report itself, for the purpose of checking for errors of fact. The deputy minister had conversations with your representatives on December the 1st, and pointed out what he felt to be some errors of fact in the draft, and on Monday, December 8, when your representative delivered five signed copies of the report to the deputy minister of national defence, the deputy minister handed back the draft he had received on November 27.

I am informed by the deputy minister that to the best of his knowledge this was the only copy of the draft received by the Department of National Defence, and as it was returned to you, I would therefore conclude that the one in the possession of Mr. Knowles cannot have come from the department.

On December the 8th, five signed copies of your report were handed to the deputy minister, with a letter of transmittal dated December the 8th. The signed reports are dated November 26, though they contain some textual changes which would appear to have been made after December the 1st. What has been a source of some confusion is that the signed report submitted on December the 8th and the unsigned draft submitted to Mr. Drury and the unsigned document in the hands of Mr. Knowles are all dated November the 26th.

I am sure you were as surprised as I was to learn that this document should have got into the hands of Mr. Knowles, or his leader, before the signed report was delivered to the Department of National Defence, and I should be grateful if you would cause inquiry to be made and advise me how it happened that a draft of your proposed report came into the hands of anyone not authorized to receive it.

Yours sincerely,
Brooke Claxton

McDonald, Currie & Co.
Chartered Accountants

507 Place d'Armes
Montreal 1

24th December, 1952

The Honourable Brooke Claxton, D.C.M., Q.C., M.P.,
Minister of National Defence,
Ottawa, Canada.

Dear Mr. Minister,

On my return from New York this morning I am in receipt of your letter of the 22nd December relative to the situation therein referred to in connection with my report on the investigation of the army works services.

I had, of course, seen from *Hansard* and from press reports of proceedings in the house the mysterious developments in connection with some copy of the report invoked by Mr. Knowles as being in the possession of his leader.

At the moment, this whole situation is beyond comprehension, and I have been having and am continuing to have the fullest possible inquiry and investigation made at this end, with a view to getting to the bottom of it, if possible.

I shall advise you more fully at the earliest possible date.

Yours sincerely,
G. S. Currie

McDonald, Currie & Co.
Chartered Accountants

507 Place d'Armes
Montreal 1

29th December 1952

The Honourable Brooke Claxton, D.C.M., Q.C., M.P.,
Minister of National Defence,
Ottawa, Canada.

Dear Mr. Minister,

With further reference to your letter of the 22nd December and my acknowledgment thereof dated 24th December, I now give you further particulars in regard to the print reproduction and submission of my report.

Some time prior to the completion of my report in the form to have it print reproduced, I asked my partner, Mr. Davey, to call upon the deputy minister of national defence and to tell him that I did not propose to show him a copy of my draft report. On the 5th November 1952 Mr. Davey called upon the deputy minister of national defence and told him that, notwithstanding our exchange of factual data from time to time for purposes of verification, I had no intention of submitting a draft of the report in final form prior to the actual signing and delivery of the report itself. Mr. Davey reported that the deputy minister agreed they should not see any draft report.

On the 19th November there was delivered to the printer in Montreal (later referred to) a typescript of my report for the purposes of print reproduction thereof. On the 25th November two print reproductions of my report were delivered by the printer to my office for checking and final consideration. Under the offset print reproduction process used by the printer, it is the practice to run off all copies required to complete the anticipated final full order, which in this case was one hundred copies. This he did, but only ten (10) copies were actually assembled as units, of which two (2) were delivered to my office as already stated, and the other eight (8) stayed with the printer and were at all times so kept and were there when the final prints (with all changes and/or additions) were required by me. If changes or additions are necessary, the pages involved are reproduced in their entirety. I had promised that the report would be delivered to you on or before 30th November, and, had not the delay occurred through sending a copy to Ottawa, I feel I would have been able to sign the report on the 26th November. This accounts for the final report being dated 26th November.

On the 26th November before the checking and final consideration had been completed by me here, Mr. Drury, the deputy minister, called on the telephone from Ottawa. During his telephone conversation with me, Mr. Drury mentioned the minister and went on to intimate to me that it seemed desirable that the final text of the intended report be submitted to him (before the report was actually signed and delivered) in order that purely factual matters dealt with in the report could be verified as to their accuracy. I gather that his reason for this was that in such connection there had been instances in the Mainguy report where purely factual matters of this nature had not been properly dealt with. While, during this conversation with Mr. Drury, I expressed some disinclination to follow such a course, the upshot was that it was understood that I would submit to him one of the two print reproduction copies above referred to but solely for the purpose of enabling verification of factual matters and data dealt with in the report as so formulated. I decided that I would ask my partner, Mr. Cleary, to personally deliver the said copy to the deputy minister. I called Mr. Cleary, who was in Ottawa, and described the situation to him. That afternoon I had one of the two print reproduction copies which I had received from the printer mailed to Mr. Cleary, who, on the following day, the 27th November, delivered it in person to the deputy minister.

The printer already referred to has been in business in Montreal for many years and enjoys a reputation of meticulous care in maintaining the confidential nature of his business. This I had ascertained from sources which I considered reliable, before entrusting the work to him. I have attended at his office and plant and have examined the manner in which he handles his business, and I cannot believe that the copy in the hands of unauthorized third parties could have been obtained from him.

I am most anxious that this matter should be cleared up as soon as possible. If I could have an opportunity of examining the copy referred to by Mr. Knowles as being in the possession of his leader, I feel there are certain characteristics peculiar to the first print reproduction copies received from the printer which would enable me to determine

whether the copy in the possession of Mr. Knowles or his leader could, in fact, have emanated from that source. Failing being given an opportunity to examine this copy, I would welcome an investigation by some competent authority as to the origin of this mysterious copy.

Yours sincerely,
G. S. Currie.

OTTAWA, January 2, 1953.

G. S. Currie, Esq., C.A.,
McDonald, Currie & Co.,
Chartered Accountants,
507 Place d'Armes,
Montreal 1, Quebec.

Dear Mr. Currie,

Following the receipt of your letter of December 29, I made inquiries and found that Mr. Knowles was in Winnipeg. Accordingly, I am writing to him by air mail, but it may be a few days before I get a reply and I hope that in the meantime it may be possible for you to trace the means whereby a copy of the report reached Mr. Coldwell.

Questions which naturally arise are the following:

Am I correct in understanding from your letter that all the ten copies that were put together have been accounted for?

Have the other ninety copies also been accounted for?

Has the printer been able to satisfy you that no other copies were made?

Yours sincerely,
Brooke Claxton

Air Mail
Registered
Special Delivery

OTTAWA, January 3, 1953.

Stanley Knowles, Esq., M.P.,
485 Dominion Street,
Winnipeg, Manitoba.

Dear Mr. Knowles:

Following my return from the meeting of the North Atlantic council, I told Mr. Currie that the information given to me by the deputy minister of national defence made it seem impossible that the copy of the draft of Mr. Currie's report which was given to Mr. Coldwell could have come from this department. I asked Mr. Currie to explain how a copy of the draft could have been given to Mr. Coldwell.

In order to help trace this, Mr. Currie has now asked if he might see the copy of the draft held by you.

I would be glad if, to facilitate this inquiry, you could either let me have the draft for Mr. Currie or hand it to him direct, so that this check might be made and the draft returned to you.

The draft will, I assume, be available for production in parliament if that is required in connection with the work of the house or its committees.

Yours sincerely,
Brooke Claxton

485 Dominion Street,
Winnipeg, Manitoba,
January 5, 1953.

Hon. Brooke Claxton,
Minister of National Defence,
Ottawa, Ontario.

Dear Mr. Claxton:

Thank you for your letter of January 3, with reference to the copy of the draft of Mr. Currie's report which was delivered to Mr. Coldwell. I note your request in connection therewith, and I shall be glad to discuss the same with Mr. Coldwell. As you know, he is at present in hospital, so that unless I hear that he is discharged therefrom in the meantime I would prefer to wait until I return to Ottawa on January 12 before taking this matter up with him.

Trusting this will be satisfactory, I am,

Sincerely yours,
Stanley H. Knowles

McDonald, Currie & Co.
Chartered Accountants

507 Place d'Armes
Montreal 1

7th January 1953

The Honourable Brooke Claxton, D.C.M., Q.C., M.P.
Minister of National Defence,
Ottawa, Canada.

Dear Mr. Minister,

I have your letter of the 2nd instant.

In reply to the specific questions which, as you say, naturally arise the answers which result from my detailed investigation here are as follows:

You are correct in understanding that all the ten copies that were put together have been accounted for.

As regards the further 90 unassembled prints of each page—to be used eventually to make up the 100 complete copies (as per order) I have ascertained as a result of detailed inquiries in the printer's establish-

ment that it is impossible to account for an even 90 of such prints. The reason is that, as per the printer's usual practice, they make some over-run to allow for defects or spoilage in any of the pages or sheets of the order; and in the circumstances I have found it impossible to have them account for each so created sheet or page which might be put to make up a complete copy.

The observations above made cover your third question as to whether the printer has been able to satisfy me that no other copies were made.

As you are aware, my representatives had an opportunity yesterday afternoon of seeing in Ottawa the mysterious extra copy. Having regard to its physical attributes and characteristics there appears to be no doubt that this copy is one of the first offset prints made in the printer's shop here; and I have today so informed the printer. How it got from the printer's shop into the hands of unauthorized third parties is still a complete mystery.

Everything which I have done by way of inquiry and investigation negatives the possibility that the copy in question could have got out in any stage or step between the printer's shop and my own organization and the department; but I still, of course, welcome any further investigation which the department or any other authority may deem it expedient to make from any angle or direction.

Yours sincerely,
G. S. Currie

OTTAWA, January 8, 1953

M. J. Coldwell, Esq., M.P.,
House of Commons,
Ottawa, Ontario.

Dear Mr. Coldwell:

I have learned that Mr. Currie is satisfied that the copy of the draft of his report received by you is one of the offset prints made in the printing shop in Montreal.

Mr. Currie has made an investigation, at the conclusion of which it is still a mystery to him as to how the copy of the draft in question got into the hands of an unauthorized third party.

He writes me:

"Everything which I have done by way of inquiry and investigation negatives the possibility that the copy in question could have got out in any stage or step between the printer's shop and my own organization and the department; but I still, of course, welcome any further investigation which the department or any other authority may deem it expedient to make from any angle or direction."

The R.C.M.P. are being instructed accordingly. Before, however, they start, it would be of assistance if you could make available to me any information that you may have bearing on this.

It is greatly to be desired that as full information as possible be placed before the house when it meets next week and this is why I am writing you, although I understand that you are still in the hospital. If it would assist in any way, I would be only too glad to call on you or to have anyone else do so.

I hope you are having a speedy and complete recovery.

Yours sincerely,
Brooke Claxton

Ottawa, January 8, 1953.

Confidential

G. C. Currie, Esq.,
Aldred Building,
507 Place d'Armes,
Montreal, P.Q.

Dear Mr. Currie:

I have been studying your report to me on the army works services with a view to ascertaining whether there has been negligence or incompetence of which I have been unaware and regarding which action should be taken.

Unfortunately, the report has not been of such assistance to me in this regard.

You say at page 17—"The carry forward of this war psychology must be coupled with inadequate training and resultant ignorance on the part of personnel of their administrative duties and responsibilities. There was, in addition, indifference and reluctance on the part of military personnel to concentrate on administration to the degree required... But if this spirit permeated the lower echelons of the army, it is more difficult to condone the same attitudes higher up. There, a higher degree both of intelligence and responsibility is essential. It was not always present in the degree required."

From what I have heard of the conduct of your investigation, and from the language of the report, I conclude that you were more concerned with assisting the army to rectify an undesirable situation than with attempting to fix responsibility, but your remarks quoted above are open to the possible interpretation that there came to your knowledge evidence of incompetence or irresponsibility on the part of particular senior officers or officials. In order to assist me in determining what action should be taken, I would be grateful if you

would advise me whether you have any such evidence and if so if you would let me have it.

Yours sincerely,
Brooke Claxton

(Canadian Pacific Telegram)

January 9, 1953

G. S. Currie, Esq.,
McDonald, Currie & Company,
507 Place d'Armes,
Montreal, Quebec.

In your letter of January seven received yesterday you say that you would welcome any further investigation which the department or any other authority may deem it expedient to make from any angle or direction. As your letter indicates that the copy of the draft received by Mr. Coldwell is one of the first offset prints made for you in Montreal, you will no doubt wish to continue your own investigation of how a document belonging to you should have fallen into other hands. In view of the wide public concern and of the desirability of fixing responsibility I have asked that the R.C.M.P. should make their own investigation and report and I feel sure that you will give them every assistance.

Brooke Claxton
Minister of National Defence

OTTAWA, January 10, 1953.

Honourable S. S. Garson, P.C., M.P.,
Minister of Justice,
Ottawa, Ontario.

My dear Colleague,

Confirming our conversation yesterday, I will be glad if you would have the R.C.M.P. investigate and report on the way in which a copy of the draft of the report by Mr. George S. Currie got into unauthorized hands.

I sent you yesterday copies of the correspondence with Mr. Currie, Mr. Knowles and Mr. Coldwell in this connection.

You will appreciate the desirability of having as much information on this as possible to give the house when the motion to set up the committee on defence expenditures comes before the house on Tuesday.

No doubt officers of the R.C.M.P. will begin their investigation by ascertaining the name of the printer and how the matter was handled from Mr. Currie and members of the staff.

Yours sincerely,
Brooke Claxton

House of Commons
Canada

OTTAWA, Ontario,
January 10, 1953.

Hon. Brooke Claxton,
Minister of National Defence,
Bldg. 'A',
125 Elgin Street,
Ottawa, Ont.

Dear Mr. Claxton:

Thank you for your letter of January 8 and for your kind words wishing me a speedy recovery.

I have been making satisfactory progress since my recent operation and expect to be out of the hospital very shortly. I regret, however, that I shall be unable to return to my regular duties for some time.

With regard to the copy of the Currie report in my possession, I cannot disclose the name of the person who gave me this report without betraying the confidence and trust he has seen fit to place in me.

I believe that I have the right, indeed, a duty, as a member of parliament, to place before the house a matter pertaining to the public interest. I think that you will agree with me that I could not have carried out this duty if I had felt obligated to reveal the identity of the person who handed me the report. Indeed, for me to divulge this information now would have the effect of deterring members of parliament in the future from bringing to the attention of the house matters in the public interest because they were not in a position to disclose the source of their information.

Yours sincerely,
M. J. Coldwell

HOUSE OF COMMONS

Wednesday, January 14, 1953

The house met at 2.30 p.m.

DEFENCE EXPENDITURE

INADVERTENT TABLING OF DRAFT LETTER

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, on a question of personal privilege, during the debate yesterday I was asked to put on *Hansard* certain correspondence but I find that I did even more than I was asked to do. As the file had just been handed to me, through inadvertence I put on *Hansard* a draft of a letter addressed to Mr. Currie which had been prepared for my consideration.

Mr. Casselman: And marked "confidential".

Mr. Claxton: That was the way to mark it at that stage. It was neither signed nor sent. This appears in the righthand column of page 977 of *Hansard* for January 13, and I hope a correction will be made.

[*Later:*]

Mr. George A. Drew (Leader of the Opposition): In view of the information which has been given to the house by the Minister of National Defence, and having regard to the fact that the letter to which he has referred has been placed on the record, I wonder if he would look at it and answer this question. Should not the word "such" in the second line of the second paragraph be "much"?

Mr. Claxton: The letter was never considered in such detail as that. It was offered to me, I said I did not agree with the idea, and that was the end of it.

Mr. Drew: The minister has misunderstood the nature of my question. I am not questioning the choice of words. I am suggesting that the word that appears here is not likely the word that appeared in the copy that was presented, that the word "much" seems to be the word that likely appeared there, and I am asking the minister if that is not correct.

Mr. Claxton: I do not see any advantage in editing here a letter that we never decided to send.

Mr. Drew: Mr. Speaker, since this point has been raised, the letter is on record, and it at least is a clear indication of what the minister was thinking at the time and may be very helpful.

Mr. McIlraith: No, no.

Some hon. Members: No.

Mr. Drew: Oh, Mr. Speaker, I am not suggesting in this house for one moment that the minister writes a letter of this kind without thinking.

Mr. McIlraith: He did not write it. That is the point.

Mr. Speaker: Order.

Mr. Drew: Therefore I have asked—

Mr. Speaker: Order. There is nothing before the house at the present time except a statement by the Minister of National Defence that a certain letter appears in *Hansard* which he had not intended should appear.

Mr. Claxton: And which I did not write and did not dictate, and as soon as it was submitted to me I decided that the idea was not a good one. No consideration was given to the language whatever.

Mr. Drew: Then may I ask the minister how it is that his signature is reproduced in *Hansard*?

Mr. Claxton: I imagine that was added at some stage either by a clerk or a printer, but it was not signed.

Mr. Drew: Has the minister thought of conducting an inquiry as to who put the name there?

Mr. Fulton: Call in the R.C.M.P.

Mr. Graydon: Did the C.C.F. get that letter?

Mr. Speaker: Order. I think we should proceed with the orders of the day.

BUSINESS OF THE HOUSE

PROCEDURE RESPECTING NOTICES OF AMENDMENTS

Mr. Speaker: I feel I should inform the house that yesterday afternoon the chief of orders and notices received from the hon. member for Eglinton (Mr. Fleming) a notice of a motion of an amendment to the motion to set up the committee on defence expenditures. The amendment was handed to me and I can find no provision under our rules or practices whereby such a notice can appear either in the *Votes and Proceedings* or in the *Orders of the Day*. Accordingly I

could not direct that the notice should appear. In fairness to the hon. member for Eglinton I felt that I should make this statement.

Mr. Donald M. Fleming (Eglinton): May I thank you, Mr. Speaker, for the statement you have made to the house. I think it is a matter of general interest to all members. From time to time you and your predecessor have made rulings rejecting amendments which have been offered in the house on the ground that they introduced new matter and could not be introduced without forty-eight hours' written notice. It was because of that ruling that I sought yesterday to give written notice of an amendment which I proposed to introduce to the government motion then under consideration in expectation that after the conclusion of the forty-eight hour period I would have the opportunity of moving the amendment.

The ruling that you have indicated means that under no circumstances when a government motion is under consideration can a private member, under the present rules of the house, give notice of an amendment. You have indicated it cannot go on private members' resolutions because it is an amendment to a motion under debate, and there is no provision for its going on the order paper under government notices of motions. Therefore at the present time, Mr. Speaker, while such amendments have been ruled out from time to time on the ground that the forty-eight hours' requisite notice had not been given, the rules of the house do not make any provision for giving that forty-eight hours' notice.

I thank you for bringing the matter to the attention of the house because I think it will be agreed that there is a gap in our procedure, and if the rules committee should be reappointed at the present session, as I hope it will, it might well give consideration to an amendment of the rules of the house to permit the giving of notice by a private member of an amendment of a government motion under such circumstances.

Mr. St. Laurent: I am sure you have satisfied yourself, Mr. Speaker, that there is no provision for such notices at the present time. It is the intention to move for the reconstitution of the committee on rules, and I quite agree with the hon. member that this is a matter which should receive their consideration.

[Mr. Speaker.]

LEVEL CROSSINGS

INVESTIGATION BY BOARD OF TRANSPORT COMMISSIONERS

Hon. Lionel Chevrier (Minister of Transport): Mr. Speaker, I should like to advise the house that the government has asked the board of transport commissioners to make a thorough investigation of the railway-highway crossing problem in Canada. For some time the government has been giving consideration to this problem which, because of expanding motor vehicle traffic and improved highways, has become one of national concern in respect of the present need for protection, safety and convenience of the public.

The railway grade crossing fund was established in 1909 under the Railway Act for the purpose of aiding in the actual construction work for the protection, safety and convenience of the public with respect to certain railway-highway crossings. From 1909 to March 31, 1952, a total of $13,327,000 was expended by the government of Canada through this fund. The annual amounts paid into the fund have varied from $200,000 in 1909 to $1 million at the present time. The act of 1909 provided for a contribution from the grade crossing fund of an amount not exceeding 20 per cent of the cost, with a maximum of $5,000 for any one crossing. The act of course was amended from time to time, and in 1950 provision was made for a contribution not exceeding 40 per cent of the cost where the total cost does not exceed $150,000 for any one crossing, and where the cost exceeds $150,000 a contribution not in excess of 40 per cent with a ceiling of $150,000. The contributions of other parties, such as railways, municipalities, counties and provincial governments, vary with each project as determined by the board after hearing applications for contributions from the grade crossing fund to eliminate or protect railway-highway crossings.

As I have just indicated, the Canadian government has made substantial contributions through the railway grade crossing fund towards the railway-highway level crossing problem. However, it may be that certain restrictions in the existing legislation, and the present basis of contributions by the railway companies, the provinces and the municipalities, tend to impede the improvement and elimination of many grade crossings. In the circumstances, therefore, the board of transport commissioners has been directed to undertake a thorough investigation into all phases of the railway-highway crossing problem. It is our earnest hope that

their investigation, which will cover all ten provinces, will result in the submission of recommendations, the implementation of which will serve to effect a material reduction in the number of fatal accidents. I now wish to table order in council No. 52 which was passed this day.

REPRESENTATION ACT

AMENDMENT TO CHANGE THE NAME OF CONSTITUENCY TO SWIFT CURRENT-MAPLE CREEK

Mr. Irvin Studer (Maple Creek) moved for leave to introduce Bill No. 101, to amend the Representation Act, 1952.

Some hon. Members: Explain.

Mr. Studer: Under the Representation Act, 1952, the entire constituency of Maple Creek was incorporated with a portion of the constituency of Swift Current and named Swift Current. The object of this bill, Mr. Speaker, is to preserve the name of one of the first constituency units in Saskatchewan, and certainly the most historical, in the name of Maple Creek. Having the two names, Swift Current-Maple Creek, designating the largest settled and most important constituency in this country, will be a source of satisfaction and pride, not only to those living in that area but to all of the people in Canada and, incidentally, make the seat safe for democracy.

Motion agreed to and bill read the first time.

QUESTIONS

DISPOSAL OF WASTE PAPER

Mr. Hodgson:

1. What disposal is made of waste paper from (a) House of Commons; (b) other government offices?
2. Are tenders called?
3. What price is paid for such waste paper per pound?
4. Who is the present contractor?
5. How much has the government received for this material, by months, since January 1, 1952, to December 1, 1952?

Mr. Dickey:

1. Public printing and stationery declare as surplus, to Crown Assets Disposal Corporation, waste paper from the House of Commons and other government departments. Crown Assets Disposal Corporation call tenders for the disposal of such waste paper.

2. Yes.

3. It is not sold by the pound. The contractor pays a sum for the privilege of removing all waste paper from government buildings for a period of one year. The contract price for the period of April 1, 1952 to March 31, 1953 is $12,500.

4. Florence Paper Company Limited, Botelier and Dalhousie streets, Ottawa, Ontario.

5. The following amounts were received by months from January 1, 1952 to December 1, 1952:

January, $1,208; February, $1,208; March, $1,208; March, $1,250; April, nil; May, $840; June, $1,041; July, $1,041; August, $1,041; September, $1,041; October, $1,041; November, $1,041.

The $1,208 paid in March 1952 represented the final payment on the previous contract. The $1,250 paid in March 1952 represented the initial deposit on the new contract commencing April 1, 1952.

TOPSAIL ROAD PLANT, NFLD.—DEFENCE MATERIALS

Mr. Higgins:

1. Have any orders for the supply of defence materials been given the new machinery plant at Topsail road, Newfoundland?
2. If so, what orders have been given, and what is the value of such orders?
3. If not, is it intended that any orders will be given, and when may the same be expected?

Mr. Dickey:

1. No defence orders have as yet been placed with Canadian Machinery and Industry Construction Limited, by the Department of Defence Production.

2. Answered by No. 1.

3. Their facilities are well known to officials of the Department of Defence Production. The company is receiving all appropriate invitations to tender and the department is also examining the possibility of placing a specialized contract in this plant.

TAX ASSESSMENTS—APPEALS

Mr. Fulton:

1. Have any appeals been made to the Minister of National Revenue against assessments of personal and corporation income tax, during the years 1950, 1951 and 1952 to date?
2. If so, in how many cases in each year have such appeals been made?
3. In how many cases in each year have assessments been reduced following such appeals?
4. What has been the total of such reductions in assessment in each year?
5. Have any of the appeals covered in part 3 been made, on behalf of the taxpayer concerned, by some other person, firm or corporation as solicitor, agent or representative?
6. If so, what are the names of such persons, firms or corporations so acting, and in how many such successful cases did he or they act respectively?

Questions

Mr. McCann:

1. Yes.

2 and 3:

Calendar Year	Number of appeals and objections received	Number of assessments reduced in respect of such appeals and objections
1950	7,346	3,909
1951	4,643	2,961
1952	4,288	2,218
Totals	16,277	9,088

4, 5 and 6. No information available as a record of the particulars requested is not maintained by the taxation division.

LAMEQUE, N. B.—WHARF REPAIRS

Mr. Robichaud:

1. Were tenders called for the wharf repairs at Lameque, New Brunswick, for which an amount of $32,000 was appropriated in the 1952-53 estimates?
2. If so, in what month of the year 1952 were such tenders called for?
3. What individuals or firms submitted tenders and what was the amount of each tender submitted?
4. To whom was the contract awarded and at what amount?
5. If tenders were not called, when will the Department of Public Works do so?

Mr. Fournier (Hull):

1. Yes.

2. June, 1951.

3. Comeau & Savoie Construction Ltd., $28,422; Diamond Construction Co., Ltd., $32,270.60; L. Emilien Langevin, $38,836.30; Mooney Construction Company, $51,321.

4. Comeau & Savoie Construction Ltd., $28,422.

5. Answered by No. 1.

FERGUSON GULLY, N.B.—DREDGING OPERATIONS

Mr. Robichaud:

1. Were tenders called for the dredging operations at Ferguson gully, New Brunswick, for which an amount of $32,000 was provided in the 1952-53 estimates?
2. If not, when will the Department of Public Works call for such tenders?

Mr. Fournier (Hull):

1. Yes, but no contract was awarded.

2. Dredging is being considered for performance by departmentally-owned plant.

ST. MARY'S, SHIPPIGAN ISLAND—HARBOUR PROTECTION AND DREDGING

Mr. Robichaud:

1. Were tenders called for the harbour protection and dredging at St. Mary's (Shippigan island) for which an amount of $234,000 was appropriated in the 1952-53 estimates?

[Mr. Fulton.]

2. If so, in what month of the year 1952 were tenders called for?
3. What individuals or firms submitted tenders, and what was the amount of each tender?
4. To whom was the contract awarded, and in what amount?
5. If tenders were not called, when will the Department of Public Works do so?

Mr. Fournier (Hull):

1. Tenders were called for harbour protection works only.

2. December, 1951.

3. Diamond Construction Co., Ltd., $172,-949.60; C. R. MacDonald & J. C. Gaudet, $182,489; McNamara Construction Co. Ltd., $256,198.75.

4. Diamond Construction Co., Ltd., $172,-949.60.

5. Answered by No. 1.

SHIPPIGAN GULLY, N.B.—BREAKWATER REPAIRS

Mr. Robichaud:

1. Were tenders called for breakwater repairs at Shippigan gully, New Brunswick, for which an amount of $36,000 was appropriated in the 1952-53 estimates?
2. If so, in what month of the year 1952 were such tenders called for?
3. What individuals or firms submitted tenders, and what was the amount of each tender?
4. To whom was the contract awarded, and in what amount?
5. If tenders were not called, when will the Department of Public Works do so?

Mr. Fournier (Hull):

1. Yes.

2. October, 1951.

3. Diamond Construction Co., Ltd., $29,504.

4. Diamond Construction Co., Ltd., $29,504.

5. Answered by No. 1.

PETIT ROCHER, N.B.—BREAKWATER REPAIRS

Mr. Robichaud:

1. Were tenders called for the breakwater repairs at Petit Rocher, New Brunswick, for which an amount of $35,000 was appropriated in the 1952-53 estimates?
2. If so, in what month of the year 1952 were such tenders called for?
3. What individuals or firms submitted tenders, and what was the amount of each tender?
4. To whom was the contract awarded, and at what amount?

Mr. Fournier (Hull):

1. Yes.

2. December, 1952.

3. Diamond Construction Co., Ltd., $15,-337.45; Chaleur Construction Co., Ltd., $19,315.10; A. & R. Ricard (Associates), $22,993; Comeau & Savoie Construction Limited, $26,668.75; J. E. & D. P. Connolly, $34,584.

4. Diamond Construction Co., Ltd., $15,-337.45.

ST. EDWARD, N.B., BREAKWATER

Mr. Robichaud:

1. Were tenders called for the breakwater at St. Edward, New Brunswick, for which an amount of $300,000 was appropriated in the 1952-53 estimates?
2. If so, in what month of the year 1952 were such tenders called for?
3. What jndividuals or firms submitted tenders, and what was the amount of each tender?
4. To whom was the contract awarded, and in what amount?

Mr. Fournier (Hull):

1. Yes.

2. November, 1952.

3. J. W. & J. Anderson Limited, $280,917; Diamond Construction Co., Limited, $292,318; J. W. McMulkin & Son Ltd., $327,948; Colin R. MacDonald, Ltd., $343,950; North Shore Construction Co. Ltd., $387,380.

4. J. W. & J. Anderson Ltd., $280,917.

ST. SIMON, N.B.—WHARF REPAIRS, ETC.

Mr. Robichaud:

1. Were tenders called for wharf repairs, extension and dredging at St. Simon, New Brunswick, for which an amount of $36,000 was appropriated in the 1952-53 estimates?
2. If so, in what month of the year 1952 were such tenders called for?
3. What individuals or firms submitted tenders, and what was the amount of each tender?
4. To whom was the contract awarded, and in what amount?
5. If tenders were not called, when will the Department of Public Works do so?

Mr. Fournier (Hull):

1. Yes.

2. October, 1952.

3. Diamond Construction Co., Limited, $43,072.50; Comeau & Savoie Construction Limited, $45,845.

4. Contract not awarded.

5. Answered by No. 1.

INTER-CITY JET AIRLINER

Mr. Thatcher:

1. Was the Avro plant at Malton given financial encouragement by the government to produce a jet airliner suitable for inter-city flights?
2. If so, what was the value of such assistance?
3. Since making North America's first jet airmail flight from New York to Toronto, what has happened to the plane?
4. Has the jet plane proved unsatisfactory?
5. Has Trans-Canada Air Lines ordered any of these planes to date?

Mr. Dickey:

1. Yes.

2. $6,648,363.40.

3. Since making the airmail flight from Toronto to New York, the jetliner has been engaged in certain demonstrations and development test flying and is currently located at the manufacturer's plant in Malton. Since the outbreak of hostilities in Korea, work has been suspended due to pressure of military commitments of the company.

4. The prototype has not been accepted for commercial service by the Department of Transport, although a production model would undoubtedly be granted a certificate of airworthiness.

5. No.

ORENDA JET ENGINES

Mr. MacLean (Queens):

1. Has the Dominion of Canada contracted for the total output to date of Orenda jet engines?
2. Are Orenda engines shipped to aircraft manufacturers for installation in airframes being manufactured for the government of Canada?
3. If so, are these Orenda engines the property of the crown?

Mr. Dickey:

1. Yes.

2. Yes.

3. Yes.

STE. ANNE DU LAC—WHARF CONSTRUCTION OR REPAIR

Mr. Courtemanche:

1. Between June, 1949, and November, 1952 was any wharf construction or repair work done at Ste. Anne du Lac, county of Labelle?
2. If so, on what dates and for what amount each year?
3. Was the work done by contract or by day labour?
4. If by contract, what were the amounts thereof?
5. To whom were the contracts awarded?
6. If by day labour, who was the foreman, what daily salary did he receive, and what was the amount spent for such work?

Mr. Fournier (Hull):

1. Yes.

2. From Sept. 19, 1950 to Sept. 28, 1950, $439.24; from Dec. 17, 1951 to Dec. 21, 1951, $1,123; from June 30, 1952 to July 28, 1952, $1,376.73.

3. By day labour.

4 and 5. Answered by No. 3.

6. (a) Fernand Poudrier; (b) daily salary 1950-51, $1.10 per hour (as foreman); 1951-52 Mr. Poudrier was employed as carpenter at $1 per hour; 1952-53 $1.50 per hour (as foreman); (c) $2,938.97.

KINDORF FITTINGS FOR NAVAL VESSELS

Mr. Green:

1. Have Kindorf fittings for three naval vessels to be built in shipyards in British Columbia been ordered from a Montreal firm?
2. If so, with what firm?
3. Why were these fittings not ordered from the Kindorf agents in Vancouver?

Mr. Dickey:

1. Yes.

2. Triumph Continental Products Limited.

3. In accordance with lead yard procedures, fittings for 14 ships were purchased from the Montreal representative of the Kindorf company which agency arrangement has been confirmed by the parent company.

BLUE COVE, N.B.—CONSTRUCTION OF WHARF

Mr. Robichaud:

1. Are there any plans in existence, in the Department of Public Works, for, or in any way relating to, the construction of a wharf at Blue Cove, New Brunswick?
2. If so, in what year were these plans prepared and approved?
3. Has the government under consideration the construction of a wharf at Blue Cove, New Brunswick, according to the above mentioned plans, in the year 1953?
4. If not, what are the reasons for the delay in this construction?

Mr. Fournier (Hull):

1. Matter under consideration.

2, 3 and 4. Answered by No. 1.

RENOUS, N.B., NAVAL AMMUNITION DEPOT

Mr. Robichaud:

1. What is the total amount which has been expended to date on, or in any way concerning, the Renous, New Brunswick, naval ammunition depot?
2. What have been the annual amounts expended on, or in any way concerning the said naval ammunition depot, in each and every year, from and including the year of its inception, to and including the year 1951?
3. What has been the annual cost, including personnel, of maintenance, of the said naval ammunition depot, during the years (a) 1945; (b) 1946; (c) 1947; (d) 1948; (e) 1949; (f) 1950; (g) 1951, and to date in 1952?

Mr. McCann:

1. $5,375,769.59.

2. 1943-44, $526,668.60; 1944-45, $519,066.04; 1945-46, $238,180.56; 1946-47, $486,421.31; 1947-48, $445,336.99; 1948-49, $477,453.69; 1949-50, $560,917.73; 1950-51, $662,311.36; 1951-52, $857,240.76; April 1, 1952-November 30, 1952, $702,172.55.

3. 1945-46, $30,527.45; 1946-47, $44,518.29; 1947-48, $59,544.01; 1948-49, $106,699.80; 1949-50, $131,773.83; 1950-51, $138,575.64; 1951-52, $125,485.01; April 1, 1952-November 30, 1952, $55,430.98.

(Figures are supplied to November 30, 1952)

CARAQUET, N.B., HARBOUR

Mr. Robichaud:

1. Has the government made any improvements in the Caraquet, New Brunswick, harbour, during the past year?
2. If so, what were these improvements?
3. If not, has the government under consideration any plans for improvements to that harbour in 1953?

[Mr. Dickey.]

Mr. Fournier (Hull):

1. Yes.
2. General maintenance repairs only.
3. No.

SHIPPIGAN, N.B., HARBOUR

Mr. Robichaud:

1. Has the government made any improvements in the Shippigan, New Brunswick, harbour, during the past year?
2. If so, what were these improvements?
3. If not, has the government under consideration any plans for improvements to that harbour in 1953?

Mr. Fournier (Hull):

1. Yes.
2. General maintenance repairs only.
3. Matter under consideration.

LAMEQUE, N.B., HARBOUR

Mr. Robichaud:

1. Has the government made any improvements in the Lameque, New Brunswick, harbour, during the past year?
2. If so, what were these improvements?
3. If not, has the government under consideration any plans for improvements to that harbour in 1953?

Mr. Fournier (Hull):

1. Yes.
2. Repairs to wharf, pierhead and warehouse.
3. Answered by No. 1.

LOWER CARAQUET, N.B., WHARF

Mr. Robichaud:

1. Has the government authorized any repairs to the Lower Caraquet, New Brunswick, wharf, during the past year?
2. If so, what were these repairs and how much did they cost?
3. If not, has the government under consideration any plans for improvements or repairs to that wharf in 1953?

Mr. Fournier (Hull):

1. Yes.
2. (a) General maintenance repairs.
   (b) $6,302.76.
3. Answered by No. 1.

STONEHAVEN, N.B., PIER AND BREAKWATER

Mr. Robichaud:

1. Were tenders called for the repairs to the pier and breakwater at Stonehaven, New Brunswick, for which an amount of $46,000 was appropriated in the 1952-53 estimates?
2. If so, in what month of the year 1952 were such tenders called for?
3. What individuals or firms submitted tenders, and what was the amount of each tender?
4. To whom was the contract awarded, and in what amount?

5. If tenders were not called, was the work proceeded with otherwise by the Department of Public Works?

Mr. Fournier (Hull):

1. Tenders were called for repairs to pier, but repairs to breakwater were undertaken by day labour.

2. October, 1951.

3. Clare Construction Co., Ltd., $30,411; Chaleur Construction Co., Ltd., $33,771.50; Diamond Construction Co., Ltd., $34,444; Alfred Thimot & Medard Comeau, $36,047.50; R. A. Blyth, $39,530.55.

4. Clare Construction Co., Ltd., $30,411.

5. Answered by No. 1.

R.C.A.F. AIRPORT, CHATHAM, N.B.—CONSTRUCTION

Mr. Brooks:

1. How much money has been spent, on a cost plus basis, on the construction and development of the Royal Canadian Air Force airport at Chatham, New Brunswick, from its beginning until the present time?
2. By whom was the work done, and how much was paid in each case?

Mr. Dickey:

1. $464,355.34. This contract was awarded November 28, 1948 for the internal rehabilitation of existing accommodation and services and installation of new equipment in nine buildings and three new small buildings and the installation of petroleum storage and fire alarm system. It has been completed.

2. John Flood & Sons Limited, Saint John, New Brunswick, $464,355.34.

R.C.A.F. AIRPORT, CHATHAM, N.B.—GRAVEL

Mr. Brooks:

1. How many yards of gravel were used for the construction of the runways at the Royal Canadian Air Force airport at Chatham, New Brunswick.
2. From whom was the gravel purchased, and at what price per yard?

Mr. Dickey:

1. 15,743 yards.

2. Diamond Construction Company Limited, Fredericton, New Brunswick. $1.60 per cubic yard.

PETAWAWA—SPUR LINE

Mr. Argue:

1. Did the Canadian National Railways own the spur line running into the ordnance depot at Petawawa that, according to the Currie report, was removed?
2. If not, to whom did it belong?
3. What was the value of the spur line?

Mr. Claxton: Mr. Speaker, I would like to answer this and the next two questions orally.

The answer to the first part of the question is no; to the second, the Department of National Defence; and to the third, this spur had not been in use since shortly after the end of the war. The police estimated the value of the rails stolen and sold to Jacobson at approximately $505.50. Jacobson has since been convicted and is at present serving a penitentiary sentence.

CURRIE REPORT—CHILD'S ROCKING HORSE

Mr. Argue:

1. For whom was the child's rocking horse, referred to in the Currie report, constructed?
2. Who ordered its construction?

Mr. Claxton:

1. It was made in Toronto for the young son of Major-General C. Vokes, C.B., C.B.E., D.S.O., C.D., who was then general officer commanding, central command.

2. A private soldier at General Vokes' headquarters, on his own initiative, constructed it as a Christmas present for the general's child. The workmanship was rough and the soft wood and nails used in it were obtained from the engineer works detachment. The hairs for the tail were obtained from—

An hon. Member: The horses.

Mr. Claxton: —a civilian milkman.

An hon. Member: Horses carry "tales".

Mr. Claxton: The saddle was made from a sheepskin lining of an old coat of Mrs. Vokes. The scrap iron used in constructing the foot rests was obtained from a local hardware store. When it came to the notice of General Vokes that some public property had been used without his knowledge, he had the value of the materials assessed by the engineers. The assessed value of $9.50 he paid to the Receiver General.

Mr. Argue: Might I ask a supplementary question of the minister? What was the date of the payment made by General Vokes to the Receiver General?

Mr. Claxton: I will be glad to look that up, Mr. Speaker.

PETAWAWA CAMP—SCRAP IRON

Mr. Argue:

Of the some 550 tons shipped out of Petawawa camp as scrap iron, approximately how many tons were composed of serviceable material such as kitchen ranges, cannon heaters, shower stalls, sinks, and the like?

Mr. Claxton: Of the figure of 550 tons, given by Mr. Currie in his report, 45 tons were quite legally sold as scrap. Regarding the remainder, material of this character had been mostly collected from demolished huts and had already deteriorated to the point where it was no longer serviceable. It was intended to examine it to see if any of it might be renovated and made serviceable, and what should be disposed of as scrap.

This material was illegally added to the scrap being sold under contract and came into the hands of the firms of Jacobson and the Pembroke Salvage Company, which was associated in these contracts with the Jacobson firm. Jacobson, Young, and Baldock were prosecuted for offences, including that of taking this material illegally, and were sentenced to two years. Most of the material has been recovered.

QUESTION PASSED AS ORDER FOR RETURN

TOURIST INDUSTRY—REVENUE, ADVERTISING, ETC.

Mr. Murphy:

1. How many United States tourists came into Canada during 1952 to date?
2. Has the government any record of time United States visitors remained in Canada? If so, how many stayed a week or more?
3. Does the government estimate of United States tourists entering Canada, include those who live in the United States and work in Canada?
4. What is the estimated tourist revenue for Canada in the year 1952 to date?
5. Has the government any record of the amount received by each province? If so, what are the amounts?
6. What magazines and papers were used for advertising in both Canada and the United States in 1952 to date, and how many advertisements appeared in each paper or magazine?
7. What was the amount paid to each magazine or paper for such advertising?
8. Does the government have any record of inquiries received from advertisements? If so, how many?
9. What films were used in the United States, where, and how many times, to promote our tourist industry?
10. Does the travel bureau have offices in the United States to promote the tourist industry?
11. If so, in what locations, what is the cost of operating each office, and what was the rental of each for the year 1952?

Mr. Winters: Return tabled.

MOTION FOR PAPERS

MILITARY TRAINING AREA, N.B. —CORRESPONDENCE

Mr. Brooks:

For a copy of all correspondence from January 1, 1951, to date, exchanged between the federal government or any department thereof and the government of the province of New Brunswick or any department thereof, relative to the taking over of an area in Queens and Sunbury counties, New Brunswick, as a military training area.

Mr. St. Laurent: Mr. Speaker, the usual communication will be made to the government of New Brunswick in this connection and, with their consent, the correspondence will be tabled.

Mr. Speaker: Shall the motion carry subject to the statement made by the Prime Minister?

Motion agreed to.

[Mr. Claxton.]

PENSIONS

DISABLED PERSONS—CO-OPERATION WITH PROVINCES

Mr. Daniel McIvor (Fort William) moved:

That, in the opinion of this house, the government should consider the advisability of co-operating with the provincial governments for the purpose of providing pensions, equal to old age pensions, for all those who are incapacitated and unable to earn their living, regardless of age.

He said: Mr. Speaker, before I deal with the resolution I would like to welcome back to the house the hon. Minister of National Health and Welfare (Mr. Martin). We would like to tell him, and the Secretary of State for External Affairs (Mr. Pearson), that we think they have been doing a creditable job at the United Nations. We just hope they will be long spared.

Looking at the hon. Minister of National Health and Welfare, he is more like what he was when he came into this house—he has reduced considerably. Whether or not it is from sweating up in the committee, if he keeps on he will have a splendid opportunity of trying out for our big event in the spring.

Mr. Fulton: Is that the election?

Mr. McIvor: This resolution will be supported by my hon. friend the member for Springfield (Mr. Sinnott) who has another resolution on the order paper similar to this. This is not the first time that I have brought this matter up in the house, but I hope it will be the last time that it will be needed. I am not going to speak long because I want it to go to a vote so that the house will know, and the government will know, that the people from coast to coast are interested in this matter. It is the most important resolution that will be brought before this house this year, because of its extent and because of the outstanding need.

I have received a great many letters which I am not going to read, because hon. members know the need just as well as I do. I have received long articles and a great deal of information from the trades and labour council of Fort William, as well as from others. I congratulate the government of Ontario upon going along the line of social security which we on this side of the house are following. We commend them heartily for passing legislation granting pensions to those who are incapacitated. Not only that, but I know there are cases where the help has really come from the province of Ontario and therefore, from one province at least, we shall receive wholehearted support on this question.

I might divide these cases into three classes. The first class of those who are

incapacitated might be those who are not able to work and earn a livelihood like the ordinary individual, but who can get around by means of a wheelchair. The second class would be those who cannot get around in a wheelchair or by any other means but who, when placed at a desk or a table, can use their hands, their speech or their head to earn something. They cannot earn a great deal because there is a limit to the amount of goods which they produce that friends and other individuals can purchase. The third class, Mr. Speaker, with which I am most concerned are those who can neither get around nor earn a dollar. To me those individuals need to be fed and clothed; they need to have medical attention and nurses. They are just like newborn babies, the most helpless things in the world. I say, therefore, that the government of Canada should certainly take care of these people. Hon. members can see that this is a very important resolution. I am going to try to cut down my speech so that we can get a vote.

You have all seen the wheelchair brigade. We would not like to be there, and because we are not there we should be willing to help them. These people are more needy than old age pensioners; they are more needy than many of the blind, and more in need of help than those who get relief through unemployment insurance. I have wholeheartedly supported all these things in the house, but I will not support any other social security measure until there is provision made for these people. I include health insurance in that, for which I worked so hard for two years on the committee. This measure is needed more than health insurance for Canada. Some people think that these are the forgotten people, but they are not. The Minister of Labour (Mr. Gregg) last year informed me that there was a committee of the Department of Labour, national health and national defence, who are working with representatives in the different provinces to find a way of taking care of these people as well as the incapacitated veterans.

I realize that if the measure is adopted it will mean more taxes. I expect even the members of the opposition, who think we are so highly taxed, to support this resolution because I believe they are human and they recognize the needs of these people. I would just interject here that Canadians pay lower taxes than the people of the United States, Great Britain, New Zealand or Australia. When I visit some of these people I realize that one cannot help them merely by giving them something of one's own. It is a job for the Dominion of Canada. I know the Minister of National Health and Welfare (Mr. Martin) is in his seat today because he wants to support this motion. He wants to let us have the benefit of his judgment. He is going to show us his warmheartedness by not allowing this motion to be talked out. I should like to speak for an hour, but my common sense and better judgment tell me that I should allow others to have their say. Thank you for your consideration.

Mr. W. G. Blair (Lanark): This resolution we are discussing today, Mr. Speaker, has been before this house on many occasions. I remember speaking on the matter and supporting it on at least two or three occasions. I assure the hon. member who introduced the resolution that I am not going to talk for any great length of time. I want to see the motion voted upon, and I want to hear the minister make a declaration on the matter.

The resolution, as introduced by the hon. member today, is extremely broad, but the intention of it is to provide people who are disabled and unable to earn their own living with a pension. The phrase used in the resolution is:

—who are incapacitated and unable to earn their living, regardless of age.

This phrase is open to some criticism, but I am going to regard the resolution as favouring the principle of providing pensions to people who are unable to earn their own livelihood or who cannot be rehabilitated. These people are classed as totally and permanently disabled. Under these conditions, I am going to favour the resolution, and I think that the introduction of legislation along these lines will be a real advance and extension of our social security. It would fill a very serious gap. Public assistance is given to these individuals, and I will cite some forms this assistance takes. It takes the form of pensions under existing legislation. First in this class, I would put the veterans legislation. Secondly, I would place benefits under mothers' allowance; then workmen's compensation and care in institutions for those who are chronically ill; homes for the aged; and hospitals, especially those hospitals for incurables. Lastly, there is the matter of direct relief from municipalities.

It is unfortunate that in Canada there is a grave lack of institutions of this character, especially of institutions for those who are chronically ill or incapacitated or even those who are classed as incurables. Very often people who are in this class are unable to procure any type of accommodation. Any person who has had any experience in trying to place a person who is incapacitated or totally disabled in some form of institution will understand that there is great difficulty in obtaining accommodation.

There is grave difficulty in obtaining an institution which is qualified and which can provide that type of accommodation. I am constantly receiving letters with regard to the matter which has been raised by the hon. member today in his resolution; and I am sure that the Minister of National Health and Welfare (Mr. Martin) also receives such letters. These letters usually take the same form. They inquire about the possibility of a pension for some member of the family who is disabled. I receive letters from parents who unfortunately have an invalid in their family, where the parents are becoming old and are worried about what will happen to the invalid when they pass out of this world. One can understand anxiety of this type when the parents, owing to the age they have attained, look forward to the future and wonder what is going to become of a son or daughter who is disabled and unable to earn a living. I have had personal experience in trying to place some of these people and I assure the house that, while the number of these cases is not large, there is still that difficulty in obtaining accommodation.

This brings us back again to the question of either hospitals for those who are chronically ill or hospitals where completely disabled people may receive some measure of care. I am proud that my native province of Ontario was the first of the provinces in Canada to introduce legislation of the type suggested by the hon. member in his resolution; and although legislation of this type has been in force for only a short time in Ontario, the benefits are becoming apparent and have been received as a blessing by those who are entitled to them.

When a measure such as that suggested by the hon. member is introduced consideration must be given to persons who are a burden not only to themselves but to their families and often to the community. Without financial assistance these people face a serious problem, and the financial burden is probably greater than the husband, the wife, the parents or the relatives can bear, and perhaps the community cannot give adequate financial help. Legislation of the type proposed in the resolution would alleviate these conditions, and the disabled person would have a measure of independence and would be able to pay his own way.

There will, of course, be certain limits with regard to incapacity and inability to earn a living, and these limitations will have to be defined. The definition of words like "incapacity" and "disabled" will involve some measure of difficulty, but a clear definition can be found if we study what has happened in the United States. In 32 states legislation of this type has been passed; but in those states rehabilitative or restorative treatment has not always been considered as part of the program. We are aware that at present a rehabilitative program is receiving some study in this country and we can consider the resolution as affecting those who have never participated in the labour forces.

Let me give some of the definitions of some of the states with regard to disability and incapacity. I will take first the state of Illinois in which the following definition has been approved:

> An individual has a permanent disability when he has a physical or mental impairment, (1) irreversible or (2) progressive and not amenable to treatment, or (3) requires treatment which is extremely hazardous or of questionable benefit. The disability is considered total when it constitutes a complete handicap in relation to useful occupations within the individual's competence.

Then as to the state of Utah, I quote from their definition of permanently and totally disabled:

> That the individual has some physical or mental impairment, disease or loss that substantially precludes him from engaging in useful occupations within his competence, such as holding a job or homemaking.

These are definitions that we shall have to study when we prepare for this type of legislation. Let me read the definition given by the state of Wisconsin:

> A totally and permanently disabled person is a person found by medical authority to be so totally and permanently disabled physically as to require constant and continuous care.

That sounds like a really good definition. The state of Michigan grants aid to disabled persons under the following definition:

> A disabled person is one who has a physical or mental impairment which cannot be corrected within the foreseeable future and who by reason of such impairment is unable, without help of any person, to carry on the minimum of activity essential to daily living as determined by the state social welfare commission.

The state of Vermont defines a disabled person as follows:

> Crippled persons have been legally defined as persons crippled by the loss of limbs which prevents them from performing the necessary work to earn their maintenance when such crippled condition is due to the impairment or loss of function of motor or muscular activity due to disease or injury affecting muscles, joints or nerves.

It will be noted that there is a wide variation in the definitions of what comprises a totally disabled and incapacitated person, as witness the different definitions in the 32 states in the United States where legislation of this type has been introduced. But in all of those states it will be noted that they have restrictive definitions and generally do not consider restorative or rehabilitative treatment as part of their program. It is extremely difficult to estimate the number requiring such assistance. The rates in Canada

for disability and invalidity could not be considered accurate when estimating the number of cases. One must take into account the number of cases receiving assistance under such conditions as workmen's compensation or veterans' allowances.

Mr. McCann: May I ask a question?

Mr. Blair: Yes.

Mr. McCann: Has the hon. member the Ontario definition?

Mr. Blair: The Ontario definition is "totally and permanently disabled."

Mr. McCann: But what is the explanation of "totally and permanently disabled"?

Mr. Blair: A person is totally and permanently disabled—I am not quoting now but this is my interpretation—if there is not hope of recovery or if the disability is such as to preclude them from ever engaging in any form of gainful employment. That would be my definition. I have not inquired into the two words that are used, but those two words come into the Ontario act, and that has been my interpretation.

I was saying that as to workmen's compensation and veterans' allowances the number of persons who are benefiting under such forms of care would also have to be considered. The government of Australia has an insurance plan for invalidity, and the incidence in that country is 9 per thousand of population. I have not the incidence in the province of Ontario, for which the minister might ask, but the incidence in Australia under present conditions is 9 per thousand population. That might be a higher rate than we have in Ontario because there may be some difference with regard to social security legislation already in existence in Ontario as compared with that in Australia. Also Australia may have a higher rate than the province of Ontario on account of the number of people who receive care in hospitals and institutions. But when this plan was first started in Australia—and I think that was in the year 1910—the eligibility requirements were extremely generous and the number of recipients was estimated at the beginning of the plan to be two or three persons per thousand population. The program at present is wide in its scope and they have also had the experience of having an act that has been in force since 1910. The act in Australia is much wider in the coverage of cases than is the plan in existence in Ontario at the present time. However, there is this difference to be noted, as I said before. There may be in existence certain types of legislation of the nature that I have suggested, like workmen's compensation and mothers' allowances which exist in Ontario, but which do not exist in Australia.

It would be rather difficult at the present time to obtain statistics from Great Britain regarding the coverage of cases, because it might be bound up with the national health plan which does exist in England. The program of aid to the disabled came into existence in the United States in October, 1950. In that country the federal government and the states share the cost 50 per cent each.

We could also give consideration to meeting the needs of disabled persons who reside with their families or with their relatives, and for whom the relatives provide care and maintenance. In some of these cases there is no doubt that the family is financially able to maintain the disabled person, but there are other cases where it places a severe strain upon the family and upon the financial reserves of either the relatives or the family. In these cases, if a disabled allowance were granted it would assist the disabled person to pay his own way, and it would allow him to retain his independence. In most of the cases of disability under consideration these people require constant and continuous care. It is not necessary that these people be placed in hospitals, because the acute phase of the disease, or the accident which has caused the disability, is passed. The patient may be cared for in his own home, and thus save expense to the relatives who cannot meet the expense of maintaining a case in the hospital.

There is no doubt that many of these cases are still remaining in some of the hospitals because the relatives have not had the money to meet the expense of maintaining them in their home. I point out that the maintenance in a home of a person who is physically disabled creates a problem, owing to the lack of facilities for nursing care and of the expenses involved.

There are certain physical disabilities which are caused by, or included in, some of the following diseases or injuries. I suggest some of these cases to the house for the purpose of clarifying the situation and to point out the need of these cases for special care. Hon. members will recognize, from the list that I am going to give, the urgent necessity of dealing with some of these things. I place in the first class various forms of paralysis, probably acquired in childhood, such as poliomyelitis or infantile paralysis and spastic conditions. I place also in this list diseases like cancer, injuries to the spine, probably by accident and not covered by workmen's compensation or insurance, or they may have

been born with some of these disabilities. Arthritis is a crippling disease. At the present time I think of one case which I saw the other day, which would come into this class, and which I think a pension would benefit greatly. Then there are various forms of amputations. Some of these can be rehabilitated. Then there are severe types of heart disease. Oftentimes the patient has no money and is unable to care for himself. It is a chronic condition and a pension would help these people a great deal. There are certain classes of epileptics, although there are epileptics who are taking their place in industry with guarded machinery, and are really doing a good job. There are others who are unable to earn their livelihood. I list these disabilities and I give the house these examples. I again emphasize the fact that many of these disabilities require almost constant care. A pension would meet the needs of a person who is disabled and it would be a great help to the family or to other people who have had to assume the care of these disabled persons. Municipalities give direct relief, but even this form of care cannot be considered satisfactory.

In previous debates on this resolution, or a similar one, in this house I have never heard a dissenting voice. Physically and mentally handicapped patients should receive care. That has been recognized by the house in all previous debates. It will be an advance in the field of social security, and I think people generally will recognize it as a necessary act. I have always felt that people who are disabled, such as those we have been speaking about and who have not had the benefit of good health, who may be physically handicapped and unable to maintain themselves, should be placed in the welfare group. When the Old Age Security Act was passed we recognized the needs of our aged people. It is possible that some of these people have never been and are not now physically handicapped. There is a great gap in our social security program and especially for those people who are handicapped, who will never be able to work and who have no hope for the future as far as a cure of their disability is concerned. I plead with the government that, since this resolution is before the house once again, we close this gap and that physically and mentally handicapped people be given an opportunity for better care.

This resolution has always met with the approval of the house on previous occasions. I have never heard one hon. member dissent from it and say that he was not in favour of it, but invariably it has been talked out. We should have a statement from the minister today telling us where he stands on this matter, and whether he is prepared to give these deserving people a pension and to take them into the welfare group.

Mr. William Bryce (Selkirk): Mr. Speaker, I want to support this resolution. I cannot discuss it from a legal point of view nor from the medical point of view. I can discuss it only as a dirt farmer. I know it would be a tremendous benefit to many people in this country who are unable to earn their own living. On many occasions we have had representations from different organizations who have spoken for people who were unable to earn their own livelihood. We know of men and women who have had children who have never grown up. They have been a drain on their parents during the whole of their lives. When the old folks get up in years their greatest concern is, what is going to happen to their offspring who have not been able to look after themselves. As I understand this resolution, it would take care of these poor people.

Then we have a group of people between the ages of fifty and sixty-five—mostly women, I think—who, when they reach that age, are worn out and are unable to provide for themselves. This resolution would take them in and do something for them. I know a lady in my constituency who has worked all the days of her life scrubbing floors in a large hotel, and doing that kind of work. During that time she has paid into the unemployment insurance fund. When she reached the age of fifty she was not able to get down on her knees to scrub floors. She applied for unemployment insurance. They said: "Well, have you lost your job?" She said, "No, I have not lost my job but I was sick and unable to work." They said, "We cannot do anything for you." I think this resolution would take care of people like that. It would provide them with something for a rainy day. I would hope that what would be paid would be not less than what an old age pensioner gets.

Then the question always comes up: Can we afford it? This government and previous governments have always found the money for anything worth while. I do not think there will be any trouble about that. If you explain to the people what a tax is for, if it is something legitimate and really needed you will have their support. So we would have no trouble getting taxes to pay for it.

The resolution deals to some extent with the federal and provincial governments. I hope that there will be no passing of the buck as there has been in other cases. When the act or the amendment to the act is brought in I hope that there will be no room for any misunderstanding and that these people will get this as of right.

I do not want to take up any more time this afternoon except to say that I am sure the rest of my group are behind me in supporting this resolution. I hope the minister will make a statement and tell us just how far he is prepared to go in making this resolution a reality, and that we can have a vote on it to see what is the view of the house. In my years here I have never found anyone who was against a resolution of this kind.

Mr. F. D. Shaw (Red Deer): Mr. Speaker, my colleagues and I consider this resolution to be one of extreme importance. We welcome an opportunity of again expressing our views. On previous occasions we have sponsored similar resolutions and have brought forward the matter time and time again during debate. I repeat, we welcome this opportunity of offering our unanimous support.

The hon. member for Fort William (Mr. McIvor) is to be commended for having sponsored the resolution. Because he is an esteemed and conscientious member of this house, because he is a Liberal member of this house, we trust that the Minister of National Health and Welfare (Mr. Martin) already has sent word forth among Liberal members to give this resolution their unqualified support.

I well recall that when we served on the old age security committee in 1950 this matter kept coming forward time and time again. While we were not authorized under the terms of reference to deal specifically with the handicapped, we found it virtually impossible to keep a consideration of these persons out of the committee. I am quite confident that when we submitted our findings to this house we had them in mind. I should like to refer to finding No. 9, reported on page 101 of the report of the joint committee of the Senate and House of Commons on old age security. Speaking of premature ageing and invalidity the committee asserted:

> The reverse of the problem of retaining older workers in the labour market is that presented by the prematurely aged and invalids who are obliged to retire from employment before their normal time. The committee has been deeply impressed by the evidence presented as to the position in which invalids and incurables find themselves at present. It has also received representations from organizations representing the blind, and blindness is, of course, part of the total problem of invalidity. The committee has felt, however, that the terms of reference established for it ruled out the possibility of a detailed examination of this problem as it applies to the younger age group.

Finding No. 23 is reported on page 103 of the report. This is headed "Other Claims to Priority" and reads:

> Finally, in its study of the old age security systems in effect in other countries, and in its consideration of the evidence presented by representative Canadian organizations and individuals, the committee has had to keep constantly in mind the place of old age in an over-all social security program. While the terms of reference of the committee have limited its study to the specific field of old age security, it has not felt it advisable to overlook the fact that there are other areas of social need in which governments, both provincial and federal, may be called upon to take in the future a substantial measure of responsibility.

I repeat that time and time again during the deliberations of that committee we heard from members representing all parties in the committee that the time had come when something specific and concrete should be done for persons who are incapacitated and as a consequence unable to provide for themselves.

The national advisory committee on the rehabilitation of the disabled estimates that there are approximately 150,000 people in Canada of working age who are victims of accident and disabling illnesses, including mental illnesses and so forth, and who are in dire need of support. I am not unmindful of the fact that some action has been taken toward providing rehabilitation services. Possibly I could go so far as to say that considerable action has been taken with respect to that one aspect of the problem. In looking over the report of the Department of National Health and Welfare for the fiscal year ended March 31, 1951, I notice that reference is made to the fact that during the course of the year activities in the field of rehabilitation were directed primarily towards preparations for the national conference on the rehabilitation of disabled persons which took place in Toronto during the first three days of February, 1951. Let us not forget that that is almost two years ago. It states here that the conference was scheduled originally to take place during May in the previous year but was postponed for certain very good reasons.

I notice in the report that the conference, which carried on its deliberations through two working committees, one dealing with vocational guidance, training and placement of handicapped persons and the other with the medical aspects of rehabilitation, approved a large number of resolutions. It recommended that the federal government appoint a full-time co-ordinator of rehabilitation activities in Canada and that a national advisory committee be established to co-ordinate the work of rehabilitation planning.

I noted when examining a recent issue of the *Labour Gazette* that reference was made to this problem of rehabilitation. On page 1566 of the December, 1952, issue of the *Labour Gazette*, under the heading "National Plan for Rehabilitation of Civilian Handicapped

being Drafted", it is stated that the national advisory committee would hold another meeting in September of 1952. I was deeply interested in the reported comments of some of those who are members of the national advisory committee. Dr. G. Fred McNally, who is chairman of the committee, stated that the period of broad examination of the problem was over. Once again I should like to emphasize that he said that the period of broad examination was over and that the time had come for positive action on specific objectives. To quote his exact words, he said:

> The committee must live up to the expectations of thousands of Canadians, physically handicapped and unable to work, who look hopefully to it for efforts which will ultimately help them to a full, useful and productive life.

I also notice that Mr. Ian Campbell, national co-ordinator of rehabilitation, said, speaking of his trips to various provinces of Canada:

> Wherever I went people, working with the handicapped, appeared to be encouraged by the fact that we now have a national headquarters for rehabilitation, and that the government of Canada has taken action in this field.

I stated earlier that I wanted to emphasize the fact that I fully realized that work, effective work I believe, has been going on for two years in the field of rehabilitation. Before I leave this point may I add that Mr. Campbell, in speaking of the objectives, asserted:

> —money is not spent on the rehabilitation of the handicapped. It is invested in their future.

I think that is absolutely correct. He says:

> Who can doubt the wisdom of a program that makes the dependent independent, makes the non-producer a producer and makes consumers of wealth creators of wealth?

I stated that was my last reference but I find that I desire to make one more. I wish to refer to three resolutions adopted by the committee last September. Here is the first one:

> A broadening of the Canadian vocational training scheme so that handicapped persons may obtain academic and pre-vocational training needed for specific employment.

I am going to inquire of the minister exactly what action has been taken up to the present time with respect to these resolutions. The first one to which I have made reference has to do with a broadening of the Canadian vocational training scheme so that handicapped persons may obtain the academic and pre-vocational training needed for specific employment. I should like to know what has been done. After all, these recommendations were made last September. Here is the second one:

> Organization of the rehabilitation program at the provincial level but with federal grants for such aspects as medical care, training and placement.

[Mr. Shaw.]

We are vitally concerned about this matter and I think the minister should indicate to us whether anything has been done with respect to that resolution. In the third place they made the following recommendation:

> A "pilot" survey on the physically handicapped now registered for work with the national employment service in Montreal.

Possibly the minister could indicate in the course of his observations whether that survey has been made or is under way. If it has been completed, then I believe the results should be made known to us. I certainly desire to commend the national advisory committee for the work which I know they have done in this field. I also wish to commend the Department of National Health and Welfare and the minister and his officers for what has been done in this respect. I hope that the minister is able to report progress in keeping with the spirit which I am told prevailed throughout the meetings of the national advisory committee.

That deals with one aspect of the problem only, the rehabilitation of those who are capable of rehabilitation, but it does not solve the whole problem by any stretch of the imagination. I stated a moment ago that, according to the advisory committee, there are 150,000 people of working age in Canada who are, using the broad general term, incapacitated. Let us not delude ourselves into believing that, because the report speaks of them as being of working age, they are capable of working. I do not know what percentage of this group would be incapable of working. Only a comprehensive survey would provide that answer.

I should also like to know if any information has been procured with respect to the number of persons who may be incapacitated but who cannot be included within that group of working age, which I presume may be from 16 to 60 years of age. We have that other group of wholly incapacitated persons. I am not so concerned about the difficulty, if there is one, in ascertaining the degree of incapacitation because I know that so far as veterans are concerned under the Pension Act there is a medical board with a competent medical staff, and they are presumed to be in a position to ascertain whether a man is suffering from a 10 per cent disability or 100 per cent disability. I cannot see why a similar committee, board, or whatever you want to call it, staffed with competent medical men, cannot do just as competent a job with respect to our incapacitated people.

I realize that certain incapacitated persons have been taken care of. I realize fully that when the old age security measure was introduced we brought into that group certain

incapacitated persons. I realize that we brought a great many incapacitated persons into the Old Age Assistance Act. As indicated by the hon. member for Lanark (Mr. Blair), I realize fully that in some instances widows' pensions are provided under mothers' allowances acts and that under other measures we have taken care of a number of them. However, I have to take issue mildly with him so far as taking care of them under unemployment insurance is concerned, because my understanding is that once you become physically incapacitated you can qualify for no benefits whatsoever. I think that was just a slip on the part of the hon. member for Lanark.

We feel that at this particular time, Mr. Speaker, two years after the national advisory committee had its first meeting, and possibly many years after the Department of National Health and Welfare began to look into this matter, we should have a fairly comprehensive and up-to-date report from the minister during the discussion of this resolution. We have in Canada an association of incurables. I want to pay my tribute to the executive members of that association, and particularly to Miss Eva Warden, who took the initiative in organizing these persons into an association. To those of us who saw them here a couple of years ago, most of them in wheelchairs, it was a pathetic sight. They were not asking for charity. They were asking for a place in our general field of social welfare. They were asking for an opportunity for those possessed of any physical or mental ability to be able to engage in productive enterprises.

I realize fully the importance of that field, but in discussing the matter with them I have also come to realize that they recognize that there is one very serious problem that must be taken care of right now, the problem of those who are wholly incapacitated. I know that representatives of the association of incurables have met the minister. They have indicated to me that he has always given them a very courteous reception but their efforts have not always culminated in the end result for which they were hoping. However, I think he gave them courage and hope. Of course the minister is capable of doing that without too much effort. Nevertheless I still have a good deal of confidence that it will not be too long before their wishes will be fully realized. I do not know whether or not they have seen the minister recently. If not, conceivably they have arranged to see him. I have the idea that they probably will. I have before me their resolution, which I shall not read, but it indicates clearly and definitely that they feel that pensions are a most necessary part of whatever general program is adopted to take care of the problem of the incurable.

I am going to take my lead from the hon. member for Fort William (Mr. McIvor). I realize fully that one could talk on and on with respect to a matter of this kind, but let me conclude with this one observation, that, while I know that we should soon be giving consideration to certain amendments to the Old Age Security Act, the Old Age Assistance Act and the Blind Persons Act, I am conscientiously of the opinion that before we do more in those particular fields—where we have at least done something for those people—we should do something for those incurables. That is particularly so for those who are incapable of earning a living.

Now, I do not want that statement to be misconstrued. I am not wholly satisfied with all aspects of our old age security program or our old age assistance program, but I do feel that if we are going to move forward at all with respect to social welfare we should move in this direction and make some provision for these people—so that we can thus bring into their lives some ray of hope. They have waited a long time. They have been patient—and I think the minister will confirm that statement. While I did not sit in on any of their conferences with him, I dare say they were modest in the form of their presentations before him. I trust that before too long they will be able to say that the minister in the past has demonstrated his concern and brought results in other fields of social welfare and has now done the same thing for them.

Mr. George H. Hees (Broadview): Mr. Speaker, I agree completely with the principle expressed in this resolution, which is to pay a $40 a month pension to all people who, through disability, are no longer able to earn their own living. After all, it is exactly the same principle as that embodied in the Old Age Security Act, which assumes that when a person reaches the age of 70 they are no longer able to earn their own living and are, therefore, entitled to a pension.

Now, if a person has a disability which cannot be cured, and if that incurable disability is such that the person cannot be taught a trade which will enable him to continue to earn his own living and provide for his family, then I firmly believe that person should be assisted by the government in the form of a pension.

However, I believe that the very first thing to do is to try to cure that disability, and, failing that, to try to teach that person a

trade. This will require a well planned and well carried out rehabilitation program, both physical and occupational.

Now, an example of a physical rehabilitation case is that of a man who is only suited to do heavy manual work and who develops a bad hernia. If the hernia is not cured, the man is prevented from continuing to earn his living, and he simply has to remain in idleness. However, if it is made possible for that man to have an operation for that hernia and it can be cured, he can continue to earn his own living.

An example of an occupational rehabilitation case is where a man loses his sight. In a great many cases that man can be taught to handle his old job by the use of guards and aids supplied to him by the Canadian National Institute for the Blind. If that is impossible owing to the nature of his old job, then the great likelihood is that he can be taught a new trade. That sort of thing is going on all the time where opportunities are provided for the Canadian National Institute for the Blind to step in and carry out their very excellent work.

Those are only two examples of what can be done to make it possible for those who have become incapacitated, by accident or disease, to continue to earn their own living. I am firmly convinced that no worth-while person wants charity or to continue in idleness. What they do want is to be able to continue to earn their own living and to retain their independence. I believe that a well planned and well executed rehabilitation program, worked out in co-operation with the provinces, will, in the great majority of cases, make this a reality.

It is well known to all of us that at the end of the last war a very great number of disabled veterans were either taught a new trade or taught how to continue with their old trade despite their disability. I believe that if this same kind of program is carried on on the same kind of scale throughout Canada, a great many more people in industry would be able to continue to earn their own living than is today the case.

I believe it is the responsibility of the federal government to work out with the provinces such a rehabilitation program, and I very much hope that the rehabilitation committee, which has been in operation now for a year, is steadily working toward that end. Like the member for Red Deer (Mr. Shaw), I am looking forward very much to hearing a report from the minister today on the progress of that committee.

I believe that a rehabilitation program such as I have outlined would ensure that all disabled persons would have the right, which I believe should be the right of every citizen of this country, to have the opportunity to cure their disability and, failing that, to learn a trade by which they can continue to earn their own living and remain independent. In cases where that is absolutely impossible, I believe that the government should pay those people a disability pension equal to the old age pension.

As the member for Lanark (Mr. Blair) pointed out this afternoon, the Ontario government has given a very good lead in matters of that kind. Since the first of January of last year, they have been paying a disability pension of $40 a month to disabled people. This has provided very much needed relief to a large number of disabled people, and I believe that is the kind of thing we should aim at here in this parliament. I believe that the federal government should co-operate with the provinces and make this kind of pension available to all permanently disabled Canadians.

I earnestly urge the minister to see that steps are taken to make this a reality at the earliest possible opportunity.

Mr. J. S. Sinnott (Springfield): Mr. Speaker, I wish at this time to congratulate the member for Fort William (Mr. McIvor) on bringing in this resolution. We have both worked towards bringing in a resolution of this kind for some considerable time. I believe the last time I spoke on a resolution similar to this was on March 7 last. I also spoke about this in the year before.

I would like to have the resolution which I have on the order paper coupled with this resolution, Mr. Speaker, so that it will save the time of the house. My resolution reads:

> That, in the opinion of this house, the government should take into early consideration the advisability of including in their social security program the payment of pensions or maintenance allowances, equal and similar to blind pensions, for the unfortunate crippled people of Canada.

If these two resolutions are coupled I am sure they will be considered by the government. Whatever decision the government makes will be influenced by the way in which the parties of this house agree to such legislation.

In this day and age, when there are pensions for people who are not nearly as deserving as these unfortunates, I think the time has come when we will have to do something. Having been nearer to the people than I am here in the House of Commons, having been the reeve of a municipality for some ten years, I have had the opportunity of going into many homes where people were

not able to earn a dollar for themselves. I certainly realize the stresses and strains which can be put on families who have to depend on the allowance given out by rural municipalities. The municipalities have to depend for their revenue on land taxes, and in these times the municipalities are finding it very difficult to obtain additional revenue for things of this kind.

I represent seven different municipalities in the constituency of Springfield, and there are approximately five of these cases in every municipality. Since there are about 175 municipalities in Manitoba, this would mean that some 875 people would be benefited by such legislation. The municipalities would benefit also in not being charged for this relief. There is no doubt but that the Minister of National Health and Welfare (Mr. Martin) has gone a very long way in bringing help to many people in Canada, but I believe this is also a problem which the dominion should handle. It is something that should be thoroughly considered. The dominion government takes full responsibility for the returned soldiers, and I am sure that when this problem is thoroughly considered it will be found that these unfortunate people should not be the care of the province but should be the responsibility of the dominion.

We are asked where the money will come from. A few years ago people thought that the introduction of family allowances would break the country. Since that time it has been found that these allowances stimulate buying power. I believe that money for this purpose can be found in the same way as it was found for family allowances. If cheques were issued to these needy people by the dominion government, it would create buying power for others who have the capacity to produce.

Like the hon. member for Fort William (Mr. McIvor), I do not wish to speak at length on this matter. I want to see this motion come to a vote. I hope the other members in the house will see fit to terminate their speeches before six o'clock so that a vote can be taken.

Mr. Clarence Gillis (Cape Breton South): I am not going to speak at any length either, Mr. Speaker. I believe most of the members of this house who have had any experience in the municipalities realize the necessity for the legislation proposed in this resolution. The resolution asks for a pension for incapacitated people, and I am not going to couple the question of rehabilitation of the handicapped with it because I think that is a separate problem. I am glad the resolution has been moved by a government member. I believe the last time it was before the house it was moved by a government member. Apparently they have done some thinking about it in the last few years; at least they should have. I am disappointed in the fact that nothing has been done other than think about it. There has been no legislation, and no indication of legislation.

So far as the minister is concerned, I am reasonably sure of his opinion on this matter. I am sure also that he has not been able to persuade the treasury board, or something like this would have been provided along with old age security. This particular type of legislation, Mr. Speaker, would fill in the gaps in our social security program. There is a very wide gap there, and perhaps the most pathetic sight in our country is the people who would benefit by this legislation. In my own riding I have about 84,000 people. The constituency covers an area of about 14 miles, and when I am at home I sit in the middle of it. I see a great many people who would come within the provisions of such legislation as is proposed here. It is a sad sight, and it is difficult to have to tell most of these people, when they come to talk to you about their problem, that the only relief provided is by the municipality.

I am thinking particularly at this time of the women in the age group 50 to 65. There is a fifteen-year gap there. I am thinking of the women who raised families and contributed sons and grandsons to the armed services. The average woman living in a home on an average income has had a rather tough life. While she may not be a paraplegic, as defined by the medical people, she is incapacitated to the extent that she has broken down prematurely under the pressure of maintaining a home on an inadequate income. Such people finish up without even a home; with no income and requiring medical attention. These people are not being helped by the provincial government either. There is no provincial legislation under which they can be helped. I have placed hundreds of cases in the hands of the provincial welfare department, only to be told that there was no provincial legislation under which these people could be helped. They become a charge on the bankrupt municipalities. Most of the municipalities across this country are bankrupt, or very nearly bankrupt. It is there that these people must seek relief, and there is no relief there for them.

Think of an old lady between 60 and 65 who comes in and tells you her pathetic story. She has no home, and has been living with friends and neighbours. Some of them are diabetics and require insulin every day, which is a costly process. Then we have to

tell them that there is no relief provincially; there is none nationally, so they have to go over to the relief committee of the municipality. When they go there they are told, "We have not the funds to care for you." It is nearly time we reached the point of doing something about it.

Then there is the case of the paraplegic, the person who is permanently crippled. Many of them are born that way, and many are crippled by injury or the lack of medical attention. A while ago there was a pilgrimage here, and I am sure all members recall the gallery full of wheelchairs that we had exhibited in order to emphasize the necessity of doing something for these people. Many of these people sit alone in lonesome silence. Others have the problem of raising funds for the care of chronic illnesses and diseases, and some are being supported by recipients of the old age security pension. There is a considerable burden there.

I believe the hon. member for Red Deer (Mr. Shaw) placed the number of these people at 150,000. Perhaps quite a number could be weeded out if you followed a definition of "incapacitated". There would not be very much money involved. I believe the government should, at this time, consider doing something for them. Now, the government may not want to pass a national pension act or make money available to the provinces, in view of the fact that this is a municipal responsibility. From a provincial standpoint, Ontario is doing something about the matter, as is Saskatchewan, so we would not have those provinces to contend with. I think Alberta does something, too. If the minister would take under consideration the problem of checking with the municipalities across the country as to the number of incapacitated people they have who would be affected by this kind of legislation, and making grants in aid to the municipalities to supplement their income, so the matter could be administered from there, I think it would be a good thing. As to a municipality that could take care of itself, you would not have to help it. But if, instead of making a grant in aid of that kind to the province, which involves more administrative cost, it was given to the municipality where it could be handled directly, in my opinion you would save a great deal of money that would be wasted in administration if it went to the province. I think something like that could be done for immediate relief without raising the whole question of another pension.

But I think the final answer to the thing is this. What Canada needs is an over-all social security act. With the piecemeal legislation that we have now, including old age assistance by the provinces, pensions to the incapacitated in Ontario and some of the other provinces; with the millions of dollars that are collected by charitable organizations across this country for the purpose of supposedly helping people of this type, in my opinion the money wasted in administration and in the duplication of machinery would more than pay for a pension to people in this category. I think the government has got to get around fairly soon to the establishment of an over-all social security act whereby you can take in your old age pensioners, your old age assistance recipients and your incapacitated people, and buttress all that with an over-all health program. Definitely the biggest item in this type of legislation is the medical cost which has to be borne by these people without any income. I believe an over-all act administered by the national government and handled from here would have the effect of cutting the administration cost you have now across this country in duplicated services. I think you would save enough money to pay for this pension by tidying up all your social security measures in one over-all act.

I know the minister is just straining at the leash to get to his feet and tell us that his department has given this matter a great deal of consideration and that within the foreseeable future the necessary legislation will be brought down to take care of this particular problem.

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, I do not want to take up much time. I am anxious that this resolution come to a vote and am still more anxious that it become legislation as soon as possible. I happen to have three cases in my own village in which, as a result of the act that is now in force in the province of Ontario, these people have been taken off the relief rolls of a burdened municipality. I think the same thing will apply in many cases across the Dominion of Canada. Every one of us knows that our municipalities are burdened with taxes they can hardly bear; they cannot stand any more.

This is necessary legislation, and it is going to take some of the weight off the municipalities as well as being of benefit to those who will receive assistance. For instance, a totally disabled person is bound to be on the relief rolls in 90 per cent of the cases. In my municipality in the province of Ontario they receive approximately $4 a week. That is a meagre handout to anybody who is on his back and unable to work and earn a living. I see that the resolution suggests a pension equal to the old age pension

so this legislation, if it came in, would provide a pension of approximately $40 a month. That would be a grand idea. It would be a grand help to those in need. I thank you for the opportunity of making these few remarks.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I think everything that can be said in support of this resolution has been said, and I am glad that everything that has been said has been in support of it. I should simply like to endorse what has been said and to register my support also. I am impelled to do that by representations which have been made to me by individuals and by organizations, and indeed by my own inclinations. I think we have long passed the day of the doctrine of the survival of the fittest with regard to the care of these incapacitated people. As to those who are blind, we have assumed our responsibility although I think perhaps we have not gone far enough yet. The abolition of the means test with regard to pensions for the blind would seem to be the next logical step that we might take.

We have seen members of an organization of incapacitated or incurable people. You will probably remember, Mr. Speaker, that we had them with us here some time ago. A year or two ago they came to see us in our offices. At that time I was impressed by the lightness of spirit and the brilliance of mind displayed by many of these people. They are capable of some constructive and useful work. As a matter of fact, many are doing some now. But to ask them to compete in the open labour market of the country is simply cruel and inhuman.

In the days of my youth such people were the recipients of private charity. They were looked after by their relations as best those relations could afford to do that duty or else —which was a good deal worse—they were the recipients of public charity. In that type of charity it is certainly more blessed to give than to receive. When we occupy ourselves in charity we have a feeling of virtue which is its own reward and a certain warmth around the heart from the knowledge that we can help others less fortunate than ourselves.

But I suggest that it is often difficult for the recipients of either form of the charity which I have mentioned. I would suggest that we might give ourselves collectively as a nation, rather than individually, that warm feeling I have mentioned, and at the same time give to these people not only sustenance of their bodies which is needful to them but also something which in my opinion is just as important, namely a spirit of independence of mind, so they would feel that they have some dignity and some right to live and to enjoy, to some extent at least, those things which are enjoyed by people physically more fortunate than themselves.

Mr. W. Chester S. McLure (Queens): Mr. Speaker, I am not going to take up much time in speaking on this resolution; but having spoken on behalf of the incapacitated at each session from 1945 down to the present time, I wished to say a few words at this time. My purpose in rising is to endorse the principle of this resolution and to say to the minister, on behalf of the people I have the honour to represent, that they are looking to him now to bring in the legislation he considers to be necessary to carry into effect the request contained in this resolution.

That is all I have to say at the present time. We have listened to some excellent speeches on this matter not only today but in former years. I want to commend the hon. member for Fort William (Mr. McIvor) for introducing this resolution. I also wish to say that the learned doctor, the hon. member for Lanark (Mr. Blair), has given us the medical side of it in language we can all understand.

Mr. Robert Fair (Battle River): As one who has been privileged to enjoy the very best of health during my lifetime, I want to give my wholehearted support to the resolution introduced by the hon. member for Fort William (Mr. McIvor). I have spoken on this matter on a number of occasions during the past four or five years. We have been put off the beam a little bit by the statement of the Minister of National Health and Welfare (Mr. Martin) that a survey was being made by the provinces in order to deal with this matter. I believe the survey has been completed, and we expect action at this session and no later.

Having spoken of my own good health and looking back over the years since I have been here, like many others I realize that because of conditions imposed upon me I have great difficulty in making a living for myself and my family. Having that in mind, I can realize very clearly the position in which these people who are physically handicapped find themselves, and also the position in which many of the people who are responsible for those incapacitated persons find themselves when they are unable to do very much for those unfortunate ones.

I feel that this legislation should be enacted during this session. I understand that a committee from the organization for the blind interviewed the Minister of National Health

and Welfare today. They asked for two things in particular, namely increasing the pension from $40 to $50 a month and removing the means test. I hope the minister will take cognizance of the representations that have been made to him and that he will see to it that this request is granted, and that before this session concludes, that is, that before we have another election he will get down to business and see that pensions at least equal to old age pensions are provided for those physically incapacitated.

Mr. W. J. Browne (St. John's West): Mr. Speaker, I notice that the proposer of this resolution speaks of the advisability of co-operating with the provincial governments. We have been informed here this afternoon that Ontario has an act which provides pensions for incapacitated persons, and I believe that similar legislation exists in the provinces of Alberta and Saskatchewan. It gives me great pleasure this afternoon to draw to the attention of hon. members the fact that in Newfoundland we have legislation dealing with this very subject. It was passed in December, 1949, nine months after the province came into confederation. Under that act a monthly allowance may be paid out of funds provided by the government—

—to adults or families who through mental or physical incapacity or other exigency are unable to provide in whole or in part by their own efforts or from income or other resources necessities essential to maintain or assist in maintaining a reasonably normal and healthy existence.

Incapacity is defined as—

—a condition of physical or mental illness or disability of such a nature as to render a person incapable of maintaining himself or his family and from which there is no reasonable prospect of recovery within a period of three months from the date of application for an allowance.

I am sure hon. members are familiar with cases of incapacitated persons, fathers or heads of families, who come to them and detail their sad circumstances. If there is no legislation of that kind on the statute books of the province, or if some provision is not made by the municipality, the situation is very desperate indeed. During the last couple of weeks, and especially during Christmas time, people came to me who had not gone through the right channels, and I was able to assist them and put them on the right track. They were not aware of this provision. I was able to assist them to get consideration from the dependents' allowances board, and they will get the pension during their incapacity.

My reason for taking part in this debate was chiefly to draw the attention of the house to the fact that Newfoundland, which is the youngest province, has legislation of this kind. At the same time I feel it is not fair that a province—and this applies to all provinces except the two major ones—that has not the sources of revenue that the central government has, should have to bear this burden. The resolution refers to co-operating with the provinces. It seems to me that the funds to meet this liability should be provided by the central government.

I should not like to see any further extension of the power of the central government in regard to the examination of persons as to their qualifications for such an allowance or pension. I feel that it should be done by leaving the matter in the hands of the provinces with the central government providing the money.

Mr. J. W. Noseworthy (York South): Mr. Speaker, like other members of the C.C.F. group I believe that the long-term solution of this problem lies in an over-all national health program. Nevertheless I am quite ready to support the measure before us, even though it be piecemeal legislation. After all, I suppose, one cannot expect those who support the Liberal party and the Liberal government to be Liberals in a hurry. They tell us that the Liberals who are in a hurry sit in this corner of the house.

Mr. Pouliot: Why do you speak like that?

Mr. Diefenbaker: The Prime Minister said that at one time.

Mr. Noseworthy: I would suggest, Mr. Speaker, that we are making progress even though we are still under a Liberal government. There is a very excellent committee under the auspices of the minister's department known as the national advisory committee on the rehabilitation of the disabled, which is apparently getting down to the job of helping these people, helping them in the way of securing treatment to regain their health to the point where they can assist themselves, and also helping them in the matter of retraining. If one can judge by the recommendations which were passed at the last meeting of that committee one may conclude that it is on the road toward doing a reasonably good job. But notwithstanding all that is being done, there are still some very large gaps in our social security program, large gaps pertaining to these incurables.

In the first place, I can find no reliable estimate of just how many such people we have in this country, how many unemployable incurables there are in Canada. The bureau of statistics tell me that they are unable to find any estimate, and no effort has been made to acquire any accurate estimate of the number of these unemployable incurables. I notice that the Canadian association of the

incurables estimates that there are probably 48,000 unemployable incurables in the province of Ontario alone. I have no idea just how close that comes to the truth, but certainly the time has come when we should at least find out how many of these people there are in Canada. It would seem that we have not been too considerate of these people, in that we have not even tried to find out how many there are needing such assistance.

As has been pointed out already, at the last session of its legislature the province of Ontario introduced legislation to assist disabled persons. But here again is an example of how stupid government legislation can be. That act could do a good job with the minister in charge being in full sympathy with its provisions, but the regulations are that to be eligible to receive assistance under the act one must be both permanently and totally disabled. I have people in my riding who have been certified by the medical committee of the provincial department of public welfare to be permanently disabled, but because they can still dress themselves if given enough time and can struggle from one room in their house to another without having to be carried, they are not considered to be eligible for help under that act.

I am sorry the Minister of Veterans Affairs (Mr. Lapointe) is not present today, because one case has been brought to my attention which has been before the Department of Veterans Affairs and the provincial department of public welfare. This is an air force man 33 years of age, who had served four years and eight months in the air force. He is a victim of what the medical authorities call progressive muscular dystrophy. This means that he is gradually losing the use of all his muscles. He has not been able to work for over two years.

The Department of Veterans Affairs say that this disease is not the result of his service, that it was not brought on because of conditions experienced during service. The man states that while in the service he felt his hands becoming numb but did not report that to the medical officer. Therefore he receives no assistance or consideration from the Department of Veterans Affairs. The provincial department of public welfare cannot help him under the new act. While he is permanently disabled, while there is no known cure for his condition and no likelihood of his being able to work again, he is not considered to be totally disabled because he can walk to the toilet himself without having to be carried.

This simply illustrates how stupid some government legislation can be when it sets out to help people. I suggest that any action which is taken to help these unfortunate people should provide for more generous regulations than those laid down by the government of Ontario in their new act. The time has certainly come when we should provide for those who cannot be cured or rehabilitated, and who must depend for support either upon relatives or the public generally. I sincerely support the measure before the house and hope the Minister of National Health and Welfare (Mr. Martin) will be able to prevail upon his colleagues on the treasury benches to give the kind of help we are asking this afternoon.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, it is not necessary to repeat the things which have been said already in support of this measure. I desire merely to make it known that I am heartily in support of this resolution and will vote for it. I think the case of Social Credit has been put forward quite adequately by former speakers.

I wish merely to point out that there is no conceivable reason why the implementation of what is called for in this resolution should entail any increased taxation. I believe at the present time this country is carrying as great a taxation burden as it should be called upon to carry. I submit that our ability to provide assistance such as is envisaged in this resolution should depend upon our ability to produce goods and services. Certainly no other view could be realistic.

The production of Canada in 1952 has been estimated at between $22 billion and $23 billion worth of goods and services. Surely it ought to be possible to provide the rather meagre assistance suggested by this resolution without adding to our taxation burden. With our production as great is it is, if we must increase our taxation in order to provide this amount of assistance to our people then it is clear that our financial system is unrealistic. We should therefore examine the possibility of learning how to do more of what is physically possible, by a reformation of our financial system.

Mr. G. M. Murray (Cariboo): Mr. Speaker, I should like to commend the hon. gentleman for bringing in this resolution. This is typical of the sort of thing he does in this house. His heart is all-out for people who are underprivileged and need assistance. This resolution is meant to assist a group of people in this country who greatly need assistance.

I agree with the hon. member that the work of the Minister of National Health and

Welfare (Mr. Martin) at the United Nations has been a great credit to himself and to Canada. We were all pleased to observe the manner in which he stood up against the delegates from Russia and other communist countries, how he engaged in debate with them and with his most courteous and able manner was able to hold his own and warrant the commendation of the press of the United States, certainly of this country, and of Great Britain and other countries.

An hon. Member: What has this to do with the resolution?

Mr. Murray (Cariboo): It has a lot to do with it, because the voice of Canada was heard at the United Nations. The world was learning that Canada is a great and humane nation, and that in offering leadership to the rest of the world she was prepared to put her own house in good shape. You know what Robert Burns said, that if each before his ain door swept, the village would be clean. If by passing legislation such as is proposed in this resolution we show that in every sense we are a Christian nation, we will then be able to present a better claim for leadership before the world at the United Nations or any other conference or world parliament.

I want to say at the same time that taxation is very high in this country, and that there will be an unwillingness to add to that taxation; but the implementation of this resolution would not necessarily add very much to the amount of taxes the average person would pay. Canada has shown a very good example to the world in its care for aged people, its old age pension legislation, its mothers' allowances and the work that is being done in the field of health and welfare and hospitalization.

Turning from these matters, great work has been done in the field of labour through the abolition of child labour, the limiting of hours of work, improvement of conditions for workers, the introduction of the eight-hour day, and more recently the approach to the five-day week. As I have said before in the house, there is a possibility that we can travel too rapidly along these lines inasmuch as so many countries in the world do not have that sort of advanced legislation.

As we know, half our revenues today are being spent on defence to maintain armies and make ourselves strong together with our allies. Our men are in Korea and on the continent of Europe. They are learning that other countries on the face of the earth are not as well off as Canada and that other countries face real problems in even maintaining a bare existence, let alone having the type of advanced legislation that we have in Canada.

So far as the old age measure is concerned, I believe an amendment should be introduced to permit pensioners to earn money in excess of their pension. I think it is a harsh thing to prevent these people from earning any money. In my opinion men of advancing years can offer great service to every community. I do not say that they should be engaged in industry generally, but I think our legislation could be amended in order to allow a man receiving the old age pension to work in any kind of industry which does not call for the use of machinery and power equipment of that kind. Masonry is a lost art in this country, and there are men of years who are skilled in this craft. They know how to take a rough rock, break it and make a beautiful wall, arch or doorway. There are others who know the mysteries of gardening and are skilled in landscape gardening. Why not permit them to enter into work of that kind? Let them engage in carving, woodwork and any kind of handicraft where machinery is not used.

Men of intelligence and advanced years know the beauties of the landscape. They understand the planting of trees and things of that kind. Why not employ such men in the forests to thin out underbrush, plant new trees and thus add to the wealth of our country? Many of them are men of art who are skilled in sculpture or music. Why not permit them to engage to the full limit of their ability in these occupations and thus add to their own income and certainly to the beauty and comfort of those about them? They would set a good example for the young people who are coming along. Many of our young people are so mechanically minded and so attached to the machine age that they are losing touch with the crafts, skills and arts that are so essential in any country.

By releasing men of advanced age to carry on such work we would be adding to the wealth of our country and certainly to its beauty. Then there is the field of invention. If an old man has skill in a certain line and has an inventive mind, why should he not be encouraged to pursue that hobby and gain any advantage he can derive from such inventions, the proceeds of which should be credited to him and not deducted from his pension? The same thing applies to women, who are so often skilled in the arts of needlecraft, weaving, the dyeing of textiles, household management, and so on. I think it would be a forward step.

People might very well go to the province of Quebec and study some of the homecrafts that are flourishing there. I had the opportunity of spending some time in that province not long ago, and of visiting some of the farmhouses. I admired the beautiful works of the hands of artistic people in carving, woodwork, the manufacture of household furniture, etc., all of which added to the beauty and delight of living in the rural communities of Quebec. I am ashamed to admit that I had to wait until now before visiting the province of Quebec. While I was there I was struck with the fact that a very prosperous civilization has existed there for all these centuries based upon land which, in the west and in Ontario where I was born, in very many cases would not be considered worth cultivating. Yet I found the nicest homes and the most flourishing communities in areas which had been deprived by nature of the fertility of soil which produces the abundance of the west, and the fertility to be found particularly in the valley areas of Ontario. It seemed to me that we really do not have to have fertile land and a luxuriance of natural production in order to have a strong and virile people. I was reminded of a story about Glengarry—

Mr. Deputy Speaker: Order. Is the hon. member not getting away from the resolution?

Mr. Murray (Cariboo): When I am speaking about Glengarry I am always in order in this house. The anecdote which I hope you will permit me to relate is a perfect illustration of what I have in mind with respect to the resolution. A city man from Montreal, brought up in the midst of the club life of St. James street and with all kinds of luxuries was driving his car through Glengarry county and he came to one of those rocky farms where you see a mile and a half of fence made out of field stone, and where the land has only three or four inches of topsoil. Inside the fence were a team of horses and a wagon, and a man who was lifting rocks and throwing them into the wagon. The city man paused on the roadside and looked at the impoverished field and the Glengarry fellow lifting the rocks and tumbling them into the wagon. He was a big redheaded chap, a Scotsman, I suppose—

An hon. Member: It is a good job he was not an Irishman.

Mr. Murray (Cariboo): The Montreal man said, "What do you grow in that field? What can that field produce?" The Glengarry man picked up another rock bigger than any of the others, tumbled it into the wagon and said, "Men."

If we pass a resolution such as my hon. friend has introduced this afternoon, we will make a much happier and much better future for a great number of men and women throughout the country—old men and old women. And to whom should we render service if it is not to those old people who have borne the burden in the heat of the day in one part or another of this country?

So I am all for the resolution and for the work that is being carried on, as I say, by the Minister of National Health and Welfare (Mr. Martin); and I hope this resolution may pass this house.

Mr. Maurice Boisvert (Nicolet-Yamaska): Mr. Speaker, if I rise to take part in this debate it is to reaffirm what I have said before in this house. In 1949, when taking part in the debate on the address in reply to the speech from the throne I said this, and I am quoting from *Hansard* of September 16, page 19:

> To increase social security, I would suggest to the government, if I may, that, in so far as our financial means allow, a pension plan be inaugurated for needy invalids. This would be looked upon favourably by the people of Canada.
>
> Up to the present time, the government has provided for the blind, for the aged, for children; certain provinces grant pensions to needy mothers. The time has come to consider those poor unfortunates who, by accident or by birth, are crippled for life and gaze with sombre melancholy upon the happiness of others. A pension scheme designed to help them would ameliorate their plight. The kindness of the state would atone to some extent for the harshness of life.

There is no one more in favour of the resolution than I, and I would like to see it go through this chamber at the earliest possible time. When last I spoke in this house certain quarters seemed to put blame upon me because I spoke in English. I am glad to be able to say a few words in the course of our debates in the language of the majority of this house. In doing so I have the conviction that I am serving the best interests of my constituency, the best interests of my province and the best interests of Canada.

(Translation):

Mr. Speaker, may I be allowed to go on in the French language, that language which I was originally taught and in which I continued my studies. Its clarity, its conciseness are such that we feel we must use it when the occasion requires it. I think that today is such an occasion when we must use the French language to ask the government of this country—all the governments of this country—to consider the unfortunate circumstances of those who have been incapacitated by some terrible accident or who were crippled at birth and are fated to remain so throughout their life.

Is their anything sadder than a visit to any of these charitable institutions where we find hundreds and thousands of human beings lying in pain, past expecting anything but what may come from Heaven, through their prayers, or from individual charity? The government of this country—all the governments of this country—must seek a solution to this problem, which is the problem of our sick and crippled people.

I admit that our latest old age pensions act takes care of approximately one-third of these unfortunate people. There still remain two-thirds comprising, so I am told, roughly between 50,000 and 60,000 persons awaiting government aid, that is aid from all the governments of this country.

They read in the newspapers and learn through the news and radio, besides being told by their relatives, that family allowances are being paid, that old age pensions are being given without a means test to all people 70 years of age, and that old age pensions are even granted to those who are 65 years of age. And they sadly ask themselves: When will our turn come?

I wish to congratulate the sponsor of this resolution. I also wish to congratulate him for having introduced such a resolution after the measures we have adopted in order to settle once and for all the case of our fellow citizens who are 70 years of age and more. This draft resolution is timely and necessary and all persons of good will in this house must rally behind the hon. member who has introduced it in order that this bill may become the law of the country.

However, in reading the notice of motion, I note that we are asked to consider:

—the advisability of co-operating with the provincial governments for the purpose of providing pensions, equal to old age pensions, for all those who are incapacitated and unable to earn their living, regardless of age.

It appears from the context of this resolution that the federal government cannot intervene, in spite of all its eagerness to do so, without obtaining first the co-operation of the provinces.

I remember that when family allowances were discussed in a certain province, it was argued in the legislature of that province that the legislation which the House of Commons intended to adopt in regard to family allowances was unconstitutional because it violated that section of the constitution which gives to the provinces the exclusive right of legislating in matters pertaining to education.

I understand that the enacting of legislation to assist incapacitated people would have no such scope. Still we must admit that it is impossible to arrive at practical conclusions without the co-operation of the provinces. There is nothing though to prevent us, the members of the House of Commons, from acting in such a way as to enlist the co-operation of the provinces in order to solve, once and for all, the problem of those unfortunate people who, languishing in hospital or staying with their families, often shed tears over their plight. There is something here that goes beyond a duty of public charity. We have adopted pension systems with a view to assisting those who were better off than these. We must look for a way, difficult though that may be, to make these unfortunate people—I hardly dare say the happiest people on earth, since we could never manage to do that—at least somewhat more comfortable, to alleviate their plight.

In conclusion I wish to thank the hon. member for Cariboo (Mr. Murray) for the kind thoughts and pleasant words he has had for the province of Quebec. The people of that province are attached to their traditions, history and way of life, but they are never happier than when they are sure that our fellow citizens from the other provinces understand them.

(Text):

Mr. S. R. Balcom (Halifax): I should like to join the other members who have taken part in this debate by saying how pleased and happy we are that the hon. member for Fort William (Mr. McIvor) has introduced this resolution.

Mr. Knowles: He wanted it voted upon.

Mr. Balcom: Well, that may come. I am sure the hon. member for Fort William and the hon. member for Springfield (Mr. Sinnott) consulted each other in the preparation of their respective resolutions. By this time I believe we should all know that the Minister of National Health and Welfare (Mr. Martin) has always been very sympathetic and open to conviction when any appeals of this sort have been made to him. There have been very few of them, if any, that have not been received graciously.

I noticed that none of the speakers who preceded me suggested just how much assistance might be given, other than is conveyed in the resolution which broadly states that some pension should be provided. No one has suggested how it might be administered other than as a pension; and no one, of course, has suggested the cost. The cost perhaps may be the least of these factors.

In this matter of helping the incapacitated, the Department of National Health and Welfare has for years been making a generous contribution through assistance to hospitals, particularly children's hospitals. We all know that if some of the damage suffered by children is remedied early in life, the young people can grow up to be useful citizens and support themselves. Personally, I know that the children's hospitals in Nova Scotia, particularly the one in Halifax, are grateful for the assistance given. It has only been by reason of this assistance that they have been able to continue their work.

Social security has become a very popular phrase in recent years, Mr. Speaker. In the numerous discussions of this topic, social insurance has received the major emphasis and is sometimes considered the only issue, yet the gaps in our social service must not be overlooked. In referring to other measures, we sometimes refer to the means test which has become rather unpopular in Canada and other countries. However, the comments on the means test are unrealistic and impractical. If we think of the needs of the people and the ways in which those needs can be met within our economy, we must accept the fact that a government assistance plan based on a means test is an essential. Public assistance is recognized by all to be necessary until other social security measures are more practically and more adequately developed. In any period in the foreseeable future it will continue to be necessary. There will always have to be provision for the residue of those in need and for those who, for various technical reasons, are not eligible for other assistance.

Since there are those for whom specific provision is not made under insurance and other schemes we must, whether we like it or not, include a means test program in our provisions for those in need. I would presume that was included, even though not mentioned, in the resolution. I believe that, to date, the program is twofold. How do we reduce the number to whom public assistance offers the only security in time of destitution or when they become incapacitated? How do we provide a public assistance program that will give some security, that will be a constructive measure for the person who is in need of its help, and which will be satisfactory to the community and those residing among us?

There are many different views about our planning for social security and welfare. Let us consider here only the significant ones. There are many constructive views about the administration of public assistance. At the present time the national revulsion to the means test is a reaction to destruction. This means test is supposed to be destructive to the person to whom it is applied. There is a difference in the attitude to the old age assistance and mothers' allowance programs as compared to the social assistance for the needy. These are all public assistance and government programs. What makes the difference in attitude? The administration is not better in the former than in the latter. The difference is largely in the public attitude towards the causes of illness. There is little or no stigma attached to the fact of being incapacitated. In our present economy, the difficulty of making adequate provision for such an eventuality is recognized by most of us. We therefore do not attach personal blame to the person who has not been able to provide adequately for a crippled member of his family.

The development of categories for assistance was probably necessary in the process of changing public attitudes. I hope the time will come when we can eliminate such categories; when our communities and provinces will be prepared to recognize a responsibility to people who are unable to provide themselves with the necessities of life; when public assistance will be given on proof of need, and the question of why the person is in need will not determine whether or not he or she receives help, although it will certainly influence the other constructive services which may be available.

How can we make a government assistance program constructive? Government assistance costs the people money. In its short-term planning a constructive program will cost more money than an inadequate one. Good legislation and good administration are dependent on the community, on the people's attitude to the problem, and upon their willingness, of course, to spend and to ensure that the program is good. The public attitude has also its effect upon the recipients, upon those who hesitate to apply, upon their self-respect and their morale, upon their ability to recognize and perform their obligations as citizens, and upon their attitudes to themselves and to society.

We have come some distance from the time when the pauper was disqualified from all citizenship rights, although remnants of those old days still remain. But I am afraid we are still far from the point where destitution does not carry with it some element of personal disgrace, which makes it difficult for the destitute, crippled or incapacitated person, regardless of the cause of his condition, to remain a respected and contributing

member of society. We have trained ourselves to think that a person contributes only if he is economically productive.

In approaching this resolution and giving it consideration we should certainly change our thinking in that regard. This consideration forces us back to the reason the community has for establishing a public assistance program. Why does society give public assistance? And after all "society" really means government. The motives vary, and the nature of the program depends on those motives. I outline them here without attempting to assess their relative importance in different communities. We give to people in many instances when we see them almost reach the point of starvation. That is a grudging, negative attitude associated with our discomfort in the face of human suffering.

We must protect the incapacitated from the results of destitution. I think that is what the hon. member had in mind when this resolution was introduced. The effect may be upon their health, their safety, our personal income; that is yours and mine, for example. The result can be a loss to the property owner because a crippled person cannot pay rent; or it can have an effect upon the total economy in the loss of purchasing power and of manpower. The result may be in the ultimate cost in the increase of disease and crime because, as you are aware, an incapacitated person in many instances has an extremely active brain, and this brain can easily be diverted if such people are not able to enjoy the things that you and I enjoy in our way of life.

We are profiting by the conditions which are to some extent responsible for destitution. Hence we must look on the care of the incapacitated as a necessary expense which we are obliged to shoulder. We have almost no alternative in that case. We are obliged to shoulder that responsibility. Why? Because with the advent of urbanization, industrialization and such conditions, there are consequent changes in our economy and in many cases these are the causes.

Mr. Speaker, there are some other points with which I should like to deal further and if I have your permission I should like to quote from a Canadian welfare council paper of May 1, 1952. In it there is an article by Mr. C. A. L. Murchison, Q.C., which was given before a conference on social welfare in Toronto. Mr. Murchison knows what he is talking about because he is a member of the unemployment insurance commission, he helped to organize the national conference on the rehabilitation of the physically handicapped which was held in Toronto in 1951, and he is now a member of the national advisory committee created on the recommendation of that conference. Mr. Murchison says:

> While I cannot make any suggestions on the manner in which Canada can inaugurate and carry out a rehabilitation program, I can suggest that you look at what has been done in the United States of America, another federal state. In that country each state is responsible for the administration of its rehabilitation program. Certain standards are fixed by the federal authority and if the individual state develops its rehabilitation scheme according to the approved standards, then it becomes entitled to financial assistance from the federal authority. The example set and experience gained by the people in the United States might provide a reasonably sound precedent for consideration by the authorities concerned in this country.
>
> It should be clearly understood that there are certain constitutional barriers standing in the way of direct participation by the federal authority in any social security scheme. This was the case when, in 1935, the federal government sought to introduce unemployment insurance in Canada. You will remember that the privy council ruled that the federal authority had no jurisdiction over such matters, and it was not until the British North America Act was amended, in 1940, that jurisdiction over unemployment insurance was conferred upon the federal government.
>
> The rehabilitation program will, of necessity, bring into active participation at least three important services which are within the exclusive jurisdiction of the provinces, and I refer to those provided by the departments of public welfare, health and education, and possibly a fourth—the departments of labour. In our thinking on such a program, we must keep in mind that whatever administrative duties there are to be performed will have to be under the provincial authorities.
>
> This situation brings up the question of what part of the program is left for the federal authority to assume. It would seem that, apart from the services which can be given to the plan by the special placements branch of the national employment service, federal participation might be limited to the making of grants in aid.
>
> I sincerely hope that there is no one present who is of the opinion that I am placing too much emphasis upon the constitutional problems confronting the Canadian rehabilitation program. In my opinion it would be entirely wrong for anyone to acquire the view that the federal government should by-pass constitutional law on the subject and inaugurate and directly administer such a program.

He goes on further but that is as much as I shall quote from Mr. Murchison. There is no doubt in my mind, Mr. Speaker, that the incapacitated should be given an opportunity of earning their livelihood, of holding their self-respect, and in so far as possible put on the same footing as you and I. They should not be too dependent on their relatives. That used to obtain many years ago but times have changed, and in any case the relatives are having a difficult time to get along.

I was glad to hear the hon. member for Lanark (Mr. Blair) give a definition of what was meant by "incapacitated". It seems that practically every province and every part of

Canada and the United States have a different meaning for it. The resolution says:

That, in the opinion of this house, the government should consider the advisability of co-operating with the provincial governments for the purpose of providing pensions—

That may be fine for some provincial governments, but I think I can speak for the province of Nova Scotia and say that our province is head over heels, not in debt, but in difficulties with respect to raising sufficient money to meet their present requirements. Therefore I cannot altogether agree with the mover of this resolution that the provincial governments should be precipitated into a scheme such as this without full consultation with them and without many meetings and many surveys, so they will not be caused greater financial difficulties than they are experiencing at the present time.

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I am sure the discussion that has taken place is expected to be followed, as indeed several hon. members have suggested, by a statement from me as Minister of National Health and Welfare. In taking part in this debate, I propose first of all to indicate what is being done in the important field of rehabilitation, apart altogether from whatever cash benefits are received by various segments of the population of Canada.

It will be seen from this kind of review that a great deal is already being done by all levels of jurisdiction in this country regarding the important question raised in the resolution proposed by the hon. member for Fort William (Mr. McIvor). I think it would be advisable for us to recall the actual terms of the resolution, which reads:

That, in the opinion of this house, the government should consider the advisability of co-operating with the provincial governments for the purpose of providing pensions, equal to old age pensions, for all those who are incapacitated and unable to earn their living, regardless of age.

The house has already expressed its gratitude to the hon. member for Fort William for introducing this resolution at this time, and I am sure we all agree that much good can flow from a discussion, dispassionate and fair as this debate has been. It should not be forgotten that, in introducing family allowances, the veterans' charter, the national health program and in doing other things in these fields, this government has provided a background in health and welfare that should serve, and it must serve, as a proper basis for consideration of this particular problem.

All of the social services in Canada cannot and should not be designated for the sole competence of one governmental authority. It would be wrong for the federal government to assume full control and full interest in all phases of social welfare and of health activities. That is not only good government in a confederation such as ours, but it is also the view of the ten provincial governments of our country. As one who has to take part in conferences with the provinces from time to time, may I say that I have been reminded by those provincial authorities that there are fields of action which are peculiarly fitted for their interest; that there are fields in which there can be joint endeavour, but under no circumstances should we, in a country such as ours, seek to arrogate to Ottawa full authority and full and exclusive interest in all phases of welfare and health activity.

It must not be thought, however, that in saying that I am now preparing a complete defence against doing anything in the field of rehabilitation and providing cash benefits for our invalid population, or for those who are incapacitated and on that account unable to provide full maintenance for themselves and their families. For the fact is that while in Canada there is no single disability cash benefit scheme, there are nevertheless under various programs—mostly federal but also under provincial auspices—at the present time some 325,000 disabled Canadians who are receiving assistance at a cost of $110 million a year, almost 80 per cent of which is borne by the central authority. That is a considerable proportion of the population. It is a fact that has not been emphasized here today. Those who have argued for this proposition, and argued well, have failed, it seems to me, to emphasize the important contribution already being made not only by the provinces but by the federal government in this important matter.

It must not be forgotten that in 1952 there came into being in this country the most comprehensive old age security system of any country in the world, and that scheme has a very definite bearing on this matter. Likewise, in that same year, the Minister of Labour (Mr. Gregg), the Minister of Veterans Affairs (Mr. Lapointe), and I convoked a conference, which was held in the city of Toronto, on the question of rehabilitation, a very important prerequisite to a satisfactory system of disability pensions.

At that conference the ten provinces of Canada were represented, as well as the voluntary health and welfare agencies of the country, hospital, medical and allied professions, the three departments of the federal government, organized labour and management, universities, social welfare organizations and so on. The conclusion of that

conference was that in developing programs in this field careful consideration must be given to the place of disability allowances in the physical and vocational rehabilitation of the disabled. Consideration must likewise be given, of course, to the constitutional position, to administrative difficulties and to the relative priority of disability pensions in the over-all social security program.

I was interested in the observations of the hon. member for Lanark (Mr. Blair) who strongly supported this measure. I recalled at once the contributions which he made to the discussion, and they were valuable contributions, during the sittings of the committee on old age security in 1950. His observations will be found at pages 808 and 810-11 of the minutes of the committee. Just to single out one set of questions and answers to indicate what his view then was, I would remind him and others of what he said. The following were some questions put by the hon. member for Vancouver South (Mr. Laing):

> Q. I was going to point out in 3 the recipients have objected to the means test; I think workers in the government service have objected; and I think members of parliament have objected. This brief proposes that beyond 70 years we should remove the means test but it transfers it to the age group 65 to 69, with greater intensity than ever before? —A. It is not a means test.
>
> Q. Well, who is going to say whether a person is prematurely aged or not?—A. It is a health test, not a means test.
>
> Q. Who is going to say that?—A. Medical officers. Mr. Blair: You cannot do it.

It will be found that throughout the deliberations of that committee the hon. gentleman emphasized the difficulty of using for the purpose of the receipt of cash benefits the yardstick of total disability. That merely emphasizes the point that was made at the conference in Toronto as to the administrative difficulties.

Now with regard to rehabilitation. As I said a moment ago, almost $11 million is made available to the provinces under crippled children, mental health and tuberculosis control grants. Very substantial proportions of this money are used for rehabilitation purposes. Then again, $100,000 a year is provided by the Department of National Health and Welfare to national voluntary agencies engaged in rehabilitation work. The department offers valuable consultative services to the provinces and to private agencies in such fields as blindness control and mental health. Federal-provincial aid is being given to special federal-provincial projects to provide surgical operations to restore the sight of selected blind pensioners.

Today I, along with many members of this house, received two delegations representing the various blind associations of our country.

They came to ask the government to give consideration to increasing the basic pension for the blind and to removing the means test. In dealing with this application I pointed out that these associations and the provincial and federal governments had been able to bring about a great improvement in social welfare measures in so far as they apply to the blind. When one is considering the particular question under discussion one would have to bear in mind our obligations to the blind as well as our obligations in other fields.

Likewise the federal government, through the Department of Veterans Affairs, provides welfare services and treatment for disabled veterans. That service includes rehabilitation activities as well as cash benefits for many thousands of veterans who come within the ambit of the resolution now under discussion.

Now with regard to the large segments of the population which are covered by provisions fully as generous as those envisaged in the resolution now before us, I would point out that all persons between the ages of 65 and 69 years with insufficient means to provide for their own needs are taken care of through federal-provincial old age assistance programs. Those 70 years of age and over are cared for under federal old age security legislation regardless of means. It is correct therefore to state that the objectives of this resolution are being already realized in so far as those of our population over 65 years of age are concerned.

Then with regard to blind persons, all adult blind persons regardless of age who are unable to earn their own living are taken care of under the new federal-provincial blind persons' allowance program. It is worth noting that the blind are the largest single group of civilian disabled, and represent perhaps one-third of the total number of those who are incapacitated.

With regard to our veterans, I think it is desirable to remember that all our veterans who served in both world wars are covered by provisions even more generous than those contemplated in the present resolution. Over 200,000 disabled veterans are now receiving assistance, either in the form of pensions or war veterans allowances.

At the provincial level there are a number of important provisions for the disabled. Everyone in this house knows that the provincial governments have developed comprehensive provisions for partial and total disability benefits under their workmen's compensation programs. In most provinces where a husband is prevented from working

by physical or mental disability aid is provided under a system of mothers' allowances. As an example of what is being done for tuberculosis victims, most provinces provide special allowances for persons incapacitated by that disease. At least one province, Alberta, has a provision for widows' pensions which covers a small segment of the disabled group below 65 years of age. Newfoundland has its dependents allowances act which takes care of the disabled, among others.

It is therefore clear that a large proportion of our disabled population, all those over 65 years of age, our war veterans, all our blind, those who have been injured by industrial accidents and other similar groups are covered already under one or other of the programs I have described.

Last year the province of Ontario went a step further in introducing a new plan for the disabled. The initiative which that province took seems to suggest that possibly disability pensions, like workmen's compensation and mothers' allowances, can best be taken care of by the provincial governments to the extent that they cannot be subject to insurance principles. I know that is the view of the government of Ontario from the discussions I have had with them.

It certainly is the view of at least three other governments that this is a field which they can best attend to, though they do not all agree that there should be no financial participation by the federal government. When we embarked upon the old age security program we had in mind the fact that we were assuming a greater responsibility, not only for those 70 years of age and over but for the group which would be covered under the new act, those between the ages of 65 and 70 years. We were relieving the provinces of a great financial responsibility. Their financial load has been very considerably reduced as a result of our old age security program.

To come back to the scheme in Ontario, I have not seen official figures as to the extent of that program. I understand that the number of recipients is not large and that consequently such a program is well within the capacity of the province. I hope to be able to announce the results of our health-sickness survey within a very few months, and that will reveal, I think, that this problem is not as great in the proportion of disabled people as might be thought, particularly when one takes into account the 350,000 individuals in the country who are now receiving cash benefits in one form or another through the federal government. It may be that the survey will reveal that, just as this group is within the capacity of the province of Ontario financially, so too will it be well within the financial capacity of municipal and provincial governments throughout the country.

In any event it seems to me that these programs can best be handled provincially because there is a precedent already, and because of the heavy administrative problems involved, administrative difficulties which were ably pointed out in the old age security committee by the hon. member for Lanark (Mr. Blair) a year ago. So with this in mind it might be well to note that the federal government's assumption of the total cost of old age security payments for those 70 and over has reduced provincial expenditures on old age pensions by more than $18 million a year, and our estimate would be that the kind of scheme envisaged by the proposition now before the house would certainly not cost the provinces anything like that in total. Because, it seems to me, we are now doing our share in respect of this problem and because we have other great obligations, I could not get up in the house at this time and accept this resolution without qualification, much as my own human instincts and sympathies, like those of every other hon. member, might lead me to do. I could not do that in the light of the situation which I am describing to the house, and also because of other things that the government yet hopes to be able to do in these wide humanitarian fields for the people of this country.

It is not that these things should not be done, and not that they will not be done. I firmly believe that the attitude taken by the province of Ontario will be emulated by other provinces in the period that lies ahead. Therefore it seems to me that we must look at the whole question in the light first of all of the kind of country in which we are living. There can be no argument about our unanimous wish to see that provision is made for the individual who is incapacitated to the point that he cannot provide for himself or his dependents. There is no doubt that he has a strong and justifiable demand for assistance at the hands of the community. Of that there can be no question. The question is what jurisdiction of government should bear the responsibility.

In answering, one will have to emphasize that the federal government has assumed the cost of family allowances, a burden of over $28 million a month, a social welfare measure bringing security to over four and a half million children in two million families every month, and has undertaken an old age security program that will cost well over $300 million this year, which cost will increase because of the increase in the ageing of our

population. It has assumed the cost of these two measures together with the national health program, the veterans charter and our contributions to the unemployment insurance scheme, as well as half the cost of old age assistance, and in addition there is the reserve of projects that the Canadian people will want to have in store for future action.

It seems to us that we can develop these schemes in partnership with the various provincial governments, and this is one phase of activity which I believe most of them are prepared to undertake and which I believe they can do better than we. The administrative difficulty is very great, as we have found in administering those problems of rehabilitation that come directly within our own sphere of activity.

I believe this discussion serves a useful purpose. Reference was made a few moments ago to the fact that I had been at the United Nations, and the hon. member who proposed the resolution was kind enough to speak of the work which I was able to do there. This is the first opportunity I have had to comment on that reference and I should like to make this observation, it being the first chance I have had in the house since my return from the seventh assembly.

Canada was honoured at that assembly in more ways than one, and perhaps in no more effective and impressive way than by the very able and constructive manner in which Canada's Secretary of State for External Affairs (Mr. Pearson) carried out the assignment of president of the general assembly. One of the things that impresses the various delegations to the general assembly, as indeed it impresses anyone who attends the meetings of the various organs of the United Nations, is that there is a sound appreciation on the part of most countries of what Canada is doing in the field of health and welfare. That is particularly true, of course, at the economic and social council. It is true on the part of those who go to the world health organization, as the hon. member for Welland (Mr. McMillan), the hon. member for Regina City (Mr. McCusker) and the Minister of National Revenue (Mr. McCann) have reminded the house.

When we come to consider suggestions such as are put forward today it is important for each of us to recognize what we have done in these fields and not to belittle the accomplishment. There has been no belittling of that accomplishment in any part of the house today. The debate has been on a high level and of high order. There has been a common recognition of the importance of the problem, but perhaps not a sufficient appreciation of the extent of rehabilitation that is now going on in the country, and perhaps not a sufficient appreciation of the extent to which cash benefits are now being extended to so many people by one of the several government authorities in the country, the federal government.

Later in the session I hope to be able to announce a program in connection with a phase of activity in our department that will not be unrelated to this matter, although it will not be directly in answer to what is requested in the resolution. I must make it clear that it will not provide for disability pensions, but it will be a matter closely related to this problem and to many other phases of activity with which our department would normally be expected to be concerned.

I should like to take this opportunity to say to those who have made representations today and to the various organizations of the blind that the submissions they have made will receive the most careful consideration and attention at the hands of the government. The blind are one group of many in the category of disabled and incapacitated individuals in this country. It is the first group among the disabled to have received assistance at the hands of government in Canada on the federal level.

I think we can be proud of our achievements. I am not speaking only of the government, although I speak of it too because this government has great achievements to its credit over the course of the years in the field of health and welfare. I am speaking of the contribution that has been made in a co-operative way between those various groups and ourselves.

First of all, we have increased the basic pension three times. We have met almost 100 per cent the proposals put forward in the six-point program which the Canadian National Institute for the Blind offered to us three years ago. In every particular but one so far we have recognized their full demands.

On the other hand there is the work we have done in setting up, under the national health program, the glaucoma clinics, the remedial surgery program that is going on in this country to improve the sight of the blind. These are programs of the first order, about which perhaps not sufficient has been said.

I might take this opportunity of urging those provinces in the country that have not agreed with us on this remedial surgery program not to delay but to come in so that we can provide relief for many blind

pensioners who can yet have their sight restored by capable and effective surgical operation. Under that scheme the federal government pays 75 per cent of the total cost involved, and I am happy to say that in 70 individual surgical operations on people who were receiving blind pensions, and whose hope for the restoration of their eyesight had long been given up, we were able to effect under this program significant restoration of sight in over 40 cases. That kind of program is one we want to see continued, and it is one that is closely related to this whole question of rehabilitation.

Now, Mr. Speaker, we set up under the program conceived by the former minister of labour and now ably carried on by the present Minister of Labour (Mr. Gregg), in conjunction with the Minister of Veterans Affairs (Mr. Lapointe) and myself as Minister of National Health and Welfare, a scheme by which we sought to provide for co-ordination in the field of rehabilitation of the handicapped and incapacitated of our country. We have set up a national advisory committee composed of the representatives of organizations in the country best suited by tradition and knowledge to deal with this problem. In addition to that we have appointed as co-ordinating officer with residence here in Ottawa, serving in the Department of Labour, the former head of the workmen's compensation board rehabilitation service in the province of Ontario. It is his job to try to develop a program in conjunction with the provinces both for the rehabilitation and for the financial assistance, in time, of those who through no fault of their own find themselves incapacitated. That is a scheme which is based on the kind of programs other countries have followed. I believe it marks a very definite step in what we are doing both in terms of meeting the proposal that is before us today and also in effecting and completing what we are doing for the rehabilitation of the incapacitated and for others in the country.

Mr. Knowles: Question.

Mr. Martin: My hon. friend says "question" and I want to say to him that the big question that is before us today—

Mr. Knowles: Let us have the vote.

Mr. Martin: —is whether or not we have gone too far in this country.

Mr. Diefenbaker: Let us have a vote.

Mr. Martin: Speaking for the government I want to say this. The government of this country is firmly of the view that there cannot be too much interest in humanitarian questions.

Mr. Diefenbaker: As long as it does not come to a vote.

Mr. Martin: This government and this party will always support the interests of suffering humanity.

Some hon. Members: The vote?

Mr. Martin: The hon. member for Winnipeg North Centre (Mr. Knowles) obviously is not interested in these problems that have to do with human welfare, otherwise he would let me point this out. While I believe the kind of society that he advocates is one that possesses within itself the seed of its own destruction, I do say that those who argue against the welfare state make a tremendous mistake. If by "welfare state" they wish to put the emphasis on "state", then, of course, I agree with the suggestion and deplore the sinister implications involved in the phrase. But, if by "welfare state" we mean that the government of the country should be concerned with the welfare of its people, then I am unashamedly a strong protagonist of the welfare state.

Mr. Knowles: Let us have a vote then.

Mr. Martin: So is the government of which I am a member and it is because of that conviction—

Mr. Fleming: That you are talking it out.

Mr. Martin: —that this government has brought in family allowances, the veterans' charter, old age security and the national health program. It is because of that it has been able to effect a measure of co-operation with the provincial governments that as Minister of National Health and Welfare I am justified—

Mr. Diefenbaker: In talking this out.

Mr. Martin: —in saying to the hon. gentleman who proposed this resolution that it has at least served the purpose of giving all of us an opportunity to appreciate the great progress that has been made in the field of health and welfare in this most favoured among the nations of the world.

Mr. Knowles: You have talked it out again.

Mr. Fournier (Hull): I move the adjournment of the debate.

Mr. Speaker: Mr. Fournier (Hull) moves the adjournment of the debate. It is six o'clock.

Mr. Fleming: We should have a vote on the motion.

Mr. Speaker: It is six o'clock.

Mr. Fleming: Half a minute to six.

Mr. Fournier (Hull): Mr. Speaker said it was six o'clock.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Tomorrow we will continue the debate on the motion to set up a committee to examine national defence expenditures. Then we will take up the items on the order paper in the name of the Minister of Justice.

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

HOUSE OF COMMONS

Thursday, January 15, 1953

The house met at 2.30 p.m.

SPEECH FROM THE THRONE

ACKNOWLEDGMENT OF ADDRESS IN REPLY

Mr. Speaker: I have the honour to inform the house that I have received a message from His Excellency the Governor General signed by his own hand, reading as follows:

Government House, Ottawa
15 January, 1953

Members of the House of Commons:

I have received with great pleasure the address that you have voted in reply to my speech at the opening of parliament. I thank you sincerely for this address.

Vincent Massey

RAILWAYS, CANALS AND TELEGRAPH LINES

FIRST AND SECOND REPORTS OF STANDING COMMITTEE—CONCURRENCE IN FIRST REPORT

Mr. H. B. McCulloch (Pictou) presented the first and second reports of the standing committee on railways, canals and telegraph lines, and moved that the first report be concurred in.

Motion agreed to.

NATIONAL DEFENCE

CURRIE REPORT—CHILD'S ROCKING HORSE

Hon. Brooke Claxton (Minister of National Defence): Mr. Speaker, the date asked for by the hon. member for Assiniboia (Mr. Argue) yesterday afternoon was June 12, 1952.

P.E.I. CAR FERRY SERVICE

WOOD ISLAND-CARIBOU—NEW VESSEL

Hon. Lionel Chevrier (Minister of Transport): I should like to make an announcement pertaining to the automobile ferry service between Wood island, Prince Edward Island, and Caribou, Nova Scotia. At the present time the service is operated by the Northumberland Ferries Limited, which receives an annual subsidy of $158,000. The operation of this service is most important to the economy of Prince Edward Island, and the use made thereof in recent years has been increasing continuously.

While the economy of Prince Edward Island is well looked after by the Borden-Tormentine service in so far as railway communications are concerned and for highway traffic originating or terminating in the western section of the island, it has become increasingly important for the agricultural products of Prince Edward Island to be provided with an efficient automobile ferry service from the eastern part of the island to Nova Scotia. The present operator of this service finds it impossible to raise the necessary capital to acquire a new and more efficient vessel, in order to cope with the traffic offered.

I am pleased to announce to the house that the government has decided to construct a new automobile ferry vessel, which should be ready for operation in 1955. A decision has not yet been reached as to which agency will operate the service when the new vessel is ready to go into operation.

QUESTIONS

AERO ROLL FILM PRINTER—CONTRACT

Mr. Fulton:

1. Was a contract for the design and/or production of an automatic aero roll film printer awarded to P.S.C. Applied Research Limited?
2. If so, when was the contract let?
3. What was to be the basis of the remuneration to the company?
4. Has anything been paid under or on account of the contract to date?
5. If so, how much, and what was the basis of the payments?
6. Has a satisfactory design been produced yet?
7. If so, when is production to start?

Mr. Dickey:

1. Yes.

2. August 25, 1949.

3. As per Canadian Commercial Corporation form 80, cost, plus 10 per cent basis.

4. Yes.

5. $70,632.87, by way of progress payments, on design and development.

6. No. A mock-up for test purposes is due at the R.C.A.F. station, Rockcliffe, about July, 1953.

7. Production will be started on completion of satisfactory trials.

Orders for Returns

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANNED SALMON—STORAGE VALUE, SALES, ETC.

Mr. Goode:

1. In dollars, what is the carry-over inventory of the 1950 canned salmon pack?
2. What quantities are in storage in Canada of 1950 pack (a) sockeye; (b) cohoe; (c) spring; (d) other varieties?
3. In dollars, what is the unsold value of 1951 pack of Canadian salmon?
4. Is Canadian sockeye salmon being undersold on the British market by (a) Russian pack; (b) Norwegian pack? If so, in dollars, how much per case?
5. In dollars, how much Canadian canned salmon was sold to Britain in (a) 1950; (b) 1951; (c) 1952?

Mr. Bradley: Return tabled.

DEBERT CAMP AND AIRPORT—PREFABRICATED HUTS OR HOUSES

Mr. Stanfield:

1. How many prefabricated huts or houses has the government purchased from the Eastern Wood Workers Limited, New Glasgow, Nova Scotia, and set up at Debert military camp and Debert airport?
2. What is the total finished cost of each hut or house?
3. How many such huts or houses did the government agree to purchase from Eastern Wood Workers Limited?
4. For what purpose does the government intend to use these prefabricated huts or houses?

NATIONAL DEFENCE AND DEFENCE PRODUCTION—STORAGE SPACE

Mr. Fraser:

1. Does the Department of National Defence or any agency thereof or the Department of Defence Production or any agency thereof, rent storage space for their own use?
2. If so, (a) where are the storage spaces located; (b) of what type is each storage space; (c) what is stored in each space; (d) what is the rental of each storage space?

VETERANS' HOSPITALS

Mr. White (Middlesex East):

1. How many veterans' hospitals are there in Canada?
2. What are the names of these hospitals and the provinces in which they are located?
3. How many beds are available for use of veterans in each of the veterans' hospitals in Canada, by hospitals?
4. How many veterans are in tubercular sanatoriums in Canada (a) by provinces; (b) by hospitals?
5. How many veterans are patients in hospitals other than veterans' hospitals or sanatoriums (a) by provinces; (b) by hospitals?
6. Are any payments made to sanatoriums for the care of veterans suffering from tuberculosis by any department of the federal government? If so, at what rate?
7. Are any payments made to other hospitals for the care of veterans by any department of the federal government? If so, at what rate?
8. Are employees of veterans' hospitals who become infected with tuberculosis while employed by the Department of Veterans Affairs hospitalized at the expense of the federal government? If not, by whom?
9. How many patients are there in Westminster hospital, London, Ontario, including all branches of the hospital, as of December 31, 1952?

[Mr. Dickey.]

EMERGENCY GOLD MINING ASSISTANCE ACT

CHANGE IN DEFINITION OF RATE OF ASSISTANCE

Hon. George Prudham (Minister of Mines and Technical Surveys) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Emergency Gold Mining Assistance Act to provide greater assistance to the mining industry by changing the definition of the rate of assistance to one-half the excess of the cost of production per ounce over $18, with a maximum of $13.50, to provide further that the new rate of assistance shall be applicable to the number of ounces of gold produced by a mine in 1953 in excess of one-half of base year production or one-half of 1953 production, whichever is larger.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

YUKON ACT

REVISION AND CONSOLIDATION—AMENDMENTS RESPECTING TERRITORIAL COUNCIL, ADMINISTRATION OF JUSTICE, ETC.

Hon. Robert H. Winters (Minister of Resources and Development) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a measure to revise and consolidate the Yukon Act and inter alia to delete certain provisions in the act which are being brought within the legislative jurisdiction of the territorial council; to increase the amounts of the indemnity and living allowances of members of the council of the Yukon Territory to bring them more in line with those that may be paid to members of the Northwest Territories council; to further define the legislative powers of the commissioner in council; to provide for the administration of justice in the territory in the manner provided for the administration of justice in the Northwest Territory by the Northwest Territories Act; and finally to provide that the beneficial use of certain lands be appropriated to the territory and be subject to the control of the commissioner in council.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

POST OFFICE ACT

AMENDMENTS RESPECTING CONTRACTS FOR CONVEYING MAIL

Hon. Alcide Coté (Postmaster General) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Post Office Act to provide that the Postmaster General may, in certain cases, enter into contracts for conveying mail involving an annual expenditure of one thousand dollars or less, and may also, under certain conditions, while a contract is still in force, increase the amount payable thereunder during the unexpired term thereof.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

NATIONAL DEFENCE ACT

PROVISION FOR APPOINTMENT OF ASSOCIATE MINISTER OF NATIONAL DEFENCE

Right Hon. L. S. St. Laurent (Prime Minister) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the National Defence Act to provide that the Governor General may at any time appoint an Associate Minister of National Defence at a salary of ten thousand dollars per annum.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

ANTI-SEMITISM

INQUIRY AS TO RECENT SIGNS OF GROWTH IN EASTERN EUROPE

On the orders of the day:

Mr. David A. Croll (Spadina): Mr. Speaker, I have a question for the Secretary of State for External Affairs (Mr. Pearson) of which I have given him notice. Can he enlighten the house on the implications of recent signs of growing anti-semitism in the Soviet union and the satellite countries in eastern Europe?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, as the hon. gentleman has said, he was good enough to give me notice of this important question.

The ominous and familiar pattern which seems to be developing within the soviet world is a matter which must be viewed with deepest anxiety—especially, if I may say so, by citizens of Jewish faith in Canada and other countries. Communist action against Jews has been recently highlighted in the purge in Czechoslovakia. There have been indications that similar purges may be in the making in other satellite capitals. The news from Moscow that six Jewish doctors have been arrested in that city, charged with fantastic and obviously trumped-up crimes, fits into the same pattern. There has not yet been time for the Department of External Affairs to receive sufficient information on this latest development to make possible a balanced assessment of its probable implications. That it may prove to be a very serious matter indeed is, I think, obvious to all of us.

Terrible atrocities stemmed from unbridled anti-semitism in nazi Germany. It would be a great tragedy and crime if the rulers of communist Russia were now planning to revive this dark and evil force from the past and to make use of it for their own ends.

EXTERNAL AFFAIRS

QUESTION AS TO ACTION BY GOVERNMENT RESPECTING CERTAIN PASSPORTS

On the orders of the day:

Mr. G. K. Fraser (Peterborough West): Mr. Speaker, I would like to direct a question to the Secretary of State for External Affairs (Mr. Pearson). Is the government going to follow the example of the United States and pick up the passports of people who have attended the so-called peace conferences behind the iron curtain?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, that is a very important question of policy and I do not think I should be asked to give a reply to it at this time without notice. I can say however, that our policy in regard to the possession of passports by Canadian citizens, —that a passport is merely a certificate of national identity—has not been changed and I do not know that it is about to be changed.

SHIPPING

COLLISION OF VESSELS "PHYLLIS W" AND "GAESTANO S" OFF NOVA SCOTIA

Mr. T. A. M. Kirk (Digby-Yarmouth): May I ask the parliamentary assistant to the Minister of Fisheries, with reference to the ramming of the fishing boat *Phyllis W* off Centreville, Nova Scotia, allegedly by the *Gaestano S*, Gloucester dragger, if he can give the house any information concerning the action the department proposes to take.

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): I wish to thank the hon. member, Mr. Speaker, for having given me notice of his intention to ask this question. In reply to him I can say that the department has asked the Halifax office for a complete report of the alleged incident. When this report is received it will be very carefully considered to see what action, if any, will be taken.

Inquiries of the Ministry

CANADIAN BROADCASTING CORPORATION

ALLEGED INTENTION TO BROADCAST A CHILDBIRTH

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Is the Minister of National Revenue aware of the fact that the Canadian Broadcasting Corporation, through its press and information service, is announcing that on January 29 it will broadcast a childbirth? If so, what action is the government proposing to take?

Hon. J. J. McCann (Minister of National Revenue): I am not aware of the matter, but I shall have it referred to the Canadian Broadcasting Corporation and give the information later.

POSTAL SERVICE

QUESTION AS TO TWO MAIL DELIVERIES PER DAY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Will the Postmaster General say, Mr. Speaker, whether or not press reports are correct that two mail deliveries per day will be re-established at an early date?

Hon. Alcide Cote (Postmaster General): I did not see the press reports to which my hon. friend refers, but eventually when the estimates come before the house I shall make a statement on this matter.

ELIGIBILITY OF PERSONS OVER SIXTY FOR CHRISTMAS EMPLOYMENT

Mr. J. W. Noseworthy (York South): I should like to direct a question to the Postmaster General arising out of an advertisement which appeared in the Toronto papers, a copy of which I sent him yesterday. Were persons over sixty eligible for temporary employment in post offices during Christmas week?

Hon. Alcide Cote (Postmaster General): I want to thank the hon. gentleman for having given me notice of his question. Persons over sixty were eligible for temporary work during Christmas week in post offices, provided of course they were physically and mentally equipped to do the work. No doubt, however, preference would be given to younger men if available.

FINANCE

QUESTION AS TO RECENTLY ANNOUNCED LOAN OF $100 MILLION

On the orders of the day:

Mr. A. Earl Catherwood (Haldimand): I should like to direct a question to the parliamentary assistant to the Minister of Finance respecting the recently announced $100 million 3¾ per cent loan to be offered to the public. My question is this. Because of the prevalent rumours and speculations as to the purposes of the loan, will the minister tell the house the specific purpose or purposes for which the loan is to be used?

Mr. Jean Lesage (Parliamentary Assistant to the Minister of Finance): The hon. member was good enough to give notice of his question to the Minister of Finance, and the minister asked me to thank him for that. Before leaving, the minister prepared an answer to the question, and he asked me to read it if the hon. member put his question today. The answer reads as follows:

I announced that the government had authorized an issue of $100 million par value 25 years 3¾ per cent bonds. These bonds will be sold in instalments to Bank of Canada which will in turn make the new issue available to investment dealers and banks for distribution among interested investors.

The new bonds will be dated January 15, 1953, will mature January 15, 1978, and are callable at 100 per cent and accrued interest at any time on or after January 15, 1975 on sixty days' notice.

I referred to the changes in market levels which have occurred in recent years, particularly since the time prior to the invasion of Korea when the last issue of long-term marketable bonds was made. I stated that the government had decided not to undertake at this time a conventional type of offering of the new issue of 25 year bonds. Nevertheless it is felt very desirable that steps should be taken to establish values in the long-term area in order to facilitate in due course a conventional offering of long-term bonds at some later date. Accordingly the new issue has been created and will be distributed by sale in instalments to Bank of Canada and subsequent sales by Bank of Canada in the market from time to time at prevailing prices. The proceeds of the loan will be paid into the consolidated revenue fund and will be disbursed for general purposes of the government.

Mr. Graydon: Will you be able to get par when you sell them?

CURRIE REPORT

INVESTIGATION BY R.C.M.P. INTO ALLEGED DISAPPEARANCE OF COPY

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I should like to direct a question to the Minister of Justice, and ask him whether or not any information and complaint was sworn out in connection with the incident respecting the first Currie report before the mounted police were called in to investigate. If there was no information under the Criminal Code, then upon what basis are the mounted police used except under the direction of the attorney general of one or other of the provinces? I am just wondering about the basis.

Hon. Stuart S. Garson (Minister of Justice): So far as we know, Mr. Speaker, no information had been laid prior to the action which was taken to investigate the alleged theft of the document in question. I understand that Mr. Currie himself had instructed private detectives to secure some information which indicated the possibility at least of irregularities, and it was to investigate those irregularities that the mounted police were instructed to act.

Mr. Diefenbaker: That still does not answer the other question. Is it possible for the Attorney General of Canada to use the R.C.M.P. for investigational work in any province without the assistance or co-operation of the attorney general of that province? I thought that was the basis upon which the minister had always worked.

Some hon. Members: Answer.

Mr. Fleming: Answer, if possible.

NATIONAL DEFENCE

APPOINTMENT OF SUPERVISOR OF DEFENCE EXPENDITURES

On the orders of the day:

Hon. Lionel Chevrier (Acting Minister of Defence Production): On January 12, Mr. Speaker, the member for Calgary East (Mr. Harkness) asked the following question:

> Is it correct, as reported in the press, that Mr. Hunter has been appointed to supervise defence expenditures and, if so, what were the reasons that it was felt necessary to make this appointment?

The answer is that Mr. Hunter's appointment as financial adviser to the Department of Defence Production was announced by the Minister of Defence Production on January 5, 1953. Mr. Hunter, who has been successively a member of the departments of munitions and supply, reconstruction and supply, trade and commerce, and the Department of Defence Production since its inception, was named to replace Mr. O. A. Matthews whose appointment to the board of transport commissioners became effective on January 1, 1953.

The position of financial adviser has existed in the Department of Defence Production since its inception and has been held in succession by Messrs. H. G. Hesler, L. D. Hudon, O. A. Matthews and the present incumbent. The terms of reference of this position have remained constant. The position is identical to the one which was created early in world war II, and existed in both the departments of munitions and supply and reconstruction and supply.

DEFENCE EXPENDITURE

APPOINTMENT OF SPECIAL COMMITTEE

The house resumed, from Tuesday, January 13, consideration of the motion of Mr. St. Laurent for the appointment of a committee to examine defence expenditures and commitments, and the amendment thereto of Mr. Claxton.

Mr. Stanley Knowles (Winnipeg North Centre): I indicated during the course of my remarks on Tuesday evening, Mr. Speaker, that it was my intention at the end of my speech to move an amendment. I should like at this time to indicate the terms of the amendment that I shall move. It will be seconded by my deskmate, the hon. member for Melfort (Mr. Wright). It is, in fact, an amendment to the amendment, and it will read as follows:

> That the amendment be amended by adding thereto the following words:
> "and to give consideration to the desirability of recommending that Mr. Currie be asked to conduct a further inquiry into any other expenditures and commitments covered by the terms of this resolution."

I shall actually move this subamendment at the conclusion of my remarks. I am taking the liberty of sending copies of it to you now, Mr. Speaker, so that you may have it in your hands and have an opportunity to look it over.

When I was speaking on Tuesday evening I was at the time of adjournment dealing with the government's disregard, in my view, of the privileges of parliament and the established principles respecting the independence and the rights of members of the House of Commons. The evidence I gave of that disregard was to be found in the letter which the Minister of National Defence (Mr. Claxton) wrote to my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell), in which he threatened him with the use of the Royal Canadian Mounted Police but suggested that before the R.C.M.P. were put on the job my leader might help him out by giving certain information. I contend—

Mr. Claxton: Mr. Speaker, on a question of privilege may I say that the letter contains no threat or implied threat whatever.

Mr. Fleming: Oh, no? Why was it written?

Mr. Claxton: It states a fact.

Mr. Knowles: Mr. Speaker, I will not argue with that assertion by the Minister of National Defence. The letter is on the record and those who read it may judge for themselves.

Mr. Fleming: It speaks for itself.

Mr. Knowles: I will come back to that aspect of the matter in a few minutes. Before

I do so, however, I should like to confront this house with this question. Why is it that the government is trying to make a red herring out of the fact that an earlier copy of the Currie report came into our hands?

Some hon. Members: Oh, oh.

An hon. Member: Absolutely wrong.

Mr. Knowles: Mr. Speaker, I suggest that the raucous interruptions that are now taking place indicate the answer to that question. The answer is that the government and the supporters of the government are smarting under the fact that they were caught in the act—

Some hon. Members: Oh, oh.

An hon. Member: You were caught in the act.

Mr. Knowles: They were caught in the act of seeing in advance a copy of a report that was supposed to be independent, that was supposed to give the minister what he said he wanted, namely the truth. They were caught in the act of seeing that report in advance and of having the opportunity to suggest changes in it.

An hon. Member: Absolute rubbish.

Mr. Knowles: Mr. Speaker, the seriousness of what the government has been caught doing is far worse now in view of what the Minister of National Defence said on Tuesday and in view of the correspondence with Mr. Currie that he placed upon *Hansard*. At the moment I refer to the correspondence that he intended to place on *Hansard*, not the letter that he placed there inadvertently. When one reads that correspondence and when one takes note of what the Minister of National Defence had to say the other day, it becomes clear that Mr. Currie did not want to submit his first draft to anyone in the department for the purpose of looking it over. I remind the Prime Minister (Mr. St. Laurent) that on December 17, when he made his statement on this matter and answered certain questions, he made a definite statement in answer to a question of mine. As reported at page 829 of *Hansard*, I asked whether it was the general practice, as to reports which are made on any particular department, to refer them to the head of that department before the report is presented. In part of his reply the Prime Minister said:

> I was quite surprised to learn that this investigator had felt that it was the proper thing to be done.

I think all of us who were here in the house at the time remember the forthrightness with which the Prime Minister made that statement. I for one shared his surprise that anyone would think that this was the proper thing to do. But, Mr. Speaker, as a result of what the Minister of National Defence said on Tuesday and as a result of his tabling his correspondence with Mr. Currie, it now comes out that Mr. Currie did not think it was the thing to be done. Mr. Currie was opposed to showing to the department an earlier copy of the report that he eventually made to the minister. Not only was he opposed in the first instance to showing a copy, but Mr. Drury, the deputy minister, agreed with Mr. Currie that that should not be done. But despite the reluctance or the disinclination of Mr. Currie to show an advance copy to the department, despite his contention that it should not be done, despite the agreement that Mr. Drury expressed with that position, the Minister of National Defence suggested to Mr. Drury that he press Mr. Currie on the point; and it was only after the Minister of National Defence got into the picture and put that pressure upon Mr. Currie that he finally, reluctantly and despite his disinclination to do so, let the department see the report on certain conditions which he spells out in his letter.

When I put my question to the Prime Minister on December 17, he said that he was surprised that Mr. Currie thought this was a proper thing to have done. If he was surprised that Mr. Currie thought it was a proper thing to be done, what does he think now? Does he not think that he owes an apology to Mr. Currie for suggesting that Mr. Currie thought this was a proper thing to be done, when it is clear that Mr. Currie had no such view? What does the Prime Minister think now of the Minister of National Defence who was responsible for this course of action at which the Prime Minister was surprised? Not only did the Prime Minister give the answer to my question which I have already read, but in his own prepared statement that he gave us that morning of December 17, 1952, as reported at page 827 of *Hansard* he said this:

> The inquiries also disclosed that Mr. Currie and his representatives discussed this matter with the deputy minister and that the suggestion was made that the deputy minister might go over the draft, when it was ready, and point out any inaccuracies in the facts reported which had been obtained from the department itself. The deputy minister mentioned this suggestion to the minister and the minister authorized him to go over this draft but told him to be extremely careful to make no comment about anything but the facts that had been obtained from the department.

I admit that that statement is capable of different interpretations, if one wants to put different interpretations on it. But the plain and simple interpretation that seems to me to arise from it is that the Prime Minister, when he made his inquiries following my question on December 17, was informed that

the suggestion that the report should be seen in the department first emanated from Mr. Currie, that it went from Mr. Currie to Mr. Drury and then that Mr. Drury reported that to his minister, the Minister of National Defence, and that the Minister of National Defence agreed. But the story that the Minister of National Defence told us on Tuesday of this week puts it in reverse. From the minister's statement as well as from Mr. Currie's letter, it is clear that the idea of this report being "vetted" in the department did not originate with Mr. Currie. It originated in the department. When Mr. Currie refused, the minister himself took the opposite position, and he has to take the full responsibility for being the one to put pressure upon Mr. Currie to do what Mr. Currie did not want to do and to do what the Prime Minister on December 17 said he was surprised to learn had been done. I therefore submit that this question is a fair one to ask the Prime Minister: Is it not time that he made an apology to Mr. Currie, and what is he going to do about the action of the Minister of National Defence in putting that improper pressure upon Mr. Currie?

Mr. Speaker, I understand why the government is trying to find some red herring, some way in which to becloud this issue; because the plain fact is that they are caught in the act right down the line. The Minister of National Defence stood up here in the house the other day and said that what he wanted, when he asked Mr. Currie to make this investigation, was the truth. Those were his words: "I wanted the truth". It now turns out that he wanted some official of his to see that truth before it was put in final form to be presented to parliament. What kind of truth is that that one is asking for if, when your department is being investigated, you ask for the right to have the so-called truth about your department "vetted" before it is put before parliament?

The Solicitor General (Mr. Campney) referred to this matter when he spoke on December 17 and suggested to us in this house that we should be extremely grateful to the Minister of National Defence for letting us have this report. After all, according to him, it was just a little personal document out of the minister's desire to have the truth about his department, and he was exceedingly generous—he was courageous—in letting us have it; and we should show our appreciation of that courage and of that generosity by not making such open attacks on the Minister of National Defence.

I suggest, Mr. Speaker, that the more one goes into this whole story the more it is true to say in this very simple language, the government has been caught in the act of doing things that it had no right to do as the government of a democratic country. I suggest that someone has got to clear up this discrepancy in the reports given to us on December 17 by the Prime Minister, and on Tuesday of this week by the Minister of National Defence, and that in that connection we have got to know just where the cabinet stands on this whole issue of how this question was handled.

Now, Mr. Speaker, not only has the government been caught in the act of making these changes and of pressing Mr. Currie to do something that he did not want to do, but the government has, as I said on Tuesday night, been caught permitting its top military people to take unto themselves authority and a position which it is not correct for them to take in a democratic state. I want to come back to that for just a minute, Mr. Speaker, because I felt on Tuesday night that that was the most important—

Some hon. Members: Time.

Mr. Knowles: —part of what I had to say at that time, namely, that the most serious issue—

Some hon. Members: Time.

Mr. Speaker: Order. The hon. member's time has expired, and he may continue only with the unanimous consent of the house.

Some hon. Members: Go ahead.

Some hon. Members: No.

Mr. Speaker: Is it agreed?

Mr. Knowles: I thank the house, Mr. Speaker. I shall be just a very few minutes.

Some hon. Members: No.

Mr. Claxton: Go ahead.

Some hon. Members: You can't take it.

Mr. Speaker: Order. I gathered that there was general consent to the hon. member continuing.

Mr. Knowles: I sincerely thank you, Mr. Speaker, and the house. I shall express that appreciation by being just as brief as I can.

Some hon. Members: Hear, hear.

Mr. Knowles: And I thank the house for their approval of that sentiment, too. Therefore for a minute or two we are on good terms. But I now want to repeat and underline the importance of the issue which I raised on Tuesday night, namely, that we are in a very bad way in a democracy if we allow the military people, the top brass, to assume an attitude of superiority to the civil authority, to the elected government

of this country. I need not repeat at this time the five examples that I gave on Tuesday night of ways in which, in my view, the military people, the chief of the general staff, and the officials of the minister's department, have been dictating to the government, yes, dictating to the Prime Minister, in a way that they have no right to do, and I call upon this government to put the military in the place in which it belongs as the servant of the state.

Now, with this I will close. I just wish to give the house three or four quotations from the debate—

Mr. MacDougall: Give us your amendment.

Mr. Knowles: I have already given the amendment to the Speaker, and I shall put it when I sit down. I have already indicated to the house that in my view the Sandys case of 1938—in the United Kingdom parliament—is one that this government should study very closely. Here was a case where, when the attorney general of that government interrogated a member of parliament as to where he got certain information, it became not a question that was referred to the police, not a question for further threats, but a question for an important historical constitutional procedural debate in the mother of parliaments that took place on June 29, 1938. It covers eighty columns or forty pages of the British *Hansard,* so obviously I cannot read very much of it. But let me give one or two quotations from some of the really important people who took part in that debate. For example, at column 2166 I find the Right Hon. Clement Attlee said this:

> If it is once thought that members of this house can be brought up and interrogated and obliged to give up the sources of their information when they speak in this house, on the ground that it was suspected they were using official information improperly got, there would soon come a cutting away of members of this house from the public service, and there would be apprehension among members of the public service when mixing with members of parliament. They might easily say something which a member might use afterwards, and it might be traced to them.

That is part of a lengthy speech in which Mr. Attlee emphasizes the importance of the principle that was at stake, the right of individual members of parliament to receive information and to use that information in whatever way they thought was best for the good of the state without being pilloried by the executive of the day.

Similarly, the Right Hon. Winston Churchill spoke in the same debate, and it is a Churchillian masterpiece which I shall not attempt to read in full, in which he said in part:

> A member of parliament has a duty to discharge. If he has information he must try his best to make that information effective upon the government. He must make sure that a minister knows the truth.

He goes on to say that even if it is unpalatable truth he must get it to the minister, even if he has to use it in debate or in question time in the house.

He goes on to tell of his own experience at times when information came into his possession, perhaps a little irregularly, but information which he was able to use to the advantage of the state. While telling of one of these experiences he said:

> But I am bound to say that it came to me with a shock of astonishment to learn that he would have been entitled to send the attorney general to me to ask me where I got that information.

Mr. Churchill was referring to the prime minister. His speech is to be found from column 2173 to column 2182 in the British *Hansard* of June 30, 1938. Later on in the speech he gives five or six examples, some of them involving himself, some of them involving others, where information leaked out which members of parliament were able to bring to the attention of the government, with the result that real good was done to the state.

Then I turn to Sir Archibald Sinclair. Let us bring a Liberal into this as well, and I find that at column 2171 he said:

> Certainly, the government have the right to exact strict loyalty, discretion and obedience from their servants, but members of parliament are responsible to the people whom they represent in this house. They are not responsible to the attorney-general or to any minister of the government. It would be deplorable if all sources of information were dried up. There may be some dangers, but there are great safeguards. There is the power of Mr. Speaker to disallow questions. There are great safeguards, and there are still graver dangers in the encroachment of the executive upon the rights of parliament.

That is something that this government should pay some attention to, and they should note the next sentence which fits so well here:

> Governments are too apt to confuse danger to themselves with danger to the state.

Then my last quotation, Mr. Speaker, comes from Mr. Arthur Henderson and is found at column 2194 of the same *Hansard* in which he said in concluding a very effective speech:

> Once you destroy parliamentary privilege and make it impossible for members of parliament to listen to anyone who comes to them with information which, rightly or wrongly, is conceived to be in the public interest and which that member of parliament should receive, issues will be raised which will strike at the very foundations of parliament. I hope that it will now be decided beyond a peradventure that the privileges of this house are still to be maintained and will be enforced, in order to protect any hon. member in relation to his parliamentary duties.

It is unnecessary for me to comment, Mr. Speaker. These quotations speak for themselves, and I feel I should respect the

privilege the house has given me to go on for these extra minutes by taking no more time on this occasion. Therefore I will conclude at this time by moving, seconded by my deskmate, the hon. member for Melfort (Mr. Wright):

That the amendment be amended by adding thereto the following words:

"and to give consideration to the desirability of recommending that Mr. Currie be asked to conduct a further inquiry into any other expenditures and commitments covered by the terms of this resolution."

Mr. Speaker: The hon. member for Winnipeg North Centre mentioned his amendment the other evening, and I have had an opportunity of considering it. It gives me some concern, in several aspects. I think the house has agreed that consideration can be given to directing a committee to do something which it has the power to do, but which it might otherwise not do. This amendment would come within that ruling.

However, there is a limit to what a committee can do. A committee obviously can do what is included in the terms of a motion under which the committee is set up. There are also other incidental things that the committee can do.

Would the recommendation to retain Mr. Currie to continue his inquiry be a recommendation which that committee could make to the house? The committee obviously could not direct Mr. Currie to do that, by itself. The recommendation, if made by the committee, would be to continue an inquiry that Mr. Currie had started, and the report of which is before the committee.

After giving that point careful consideration—and I do not think I shall hear argument on it—I have come to the conclusion that on that ground the amendment should be allowed to stand. But I should point out the reason I am allowing it to stand on that ground is that it would be a recommendation that the person who made the report should continue.

There is also a technical point which I could raise, and that is whether the amendment is an amendment to the amendment or an amendment to the main motion. I think if I were being very technical—for which I hope I have not a reputation—I could consider that as a serious argument.

In allowing the amendment to stand I do not want it to be considered a precedent which must be followed.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I hope no one will have the impression that because I rise at this moment I intend to question the ruling you have just made. Nothing would be farther from my thoughts than to do that.

I would not have considered it necessary, or even useful, to enter again into this debate on the Currie report, were it not for two speeches made by the hon. member for Winnipeg North Centre (Mr. Knowles), and particularly for the one he has just concluded. But I feel very strongly about two aspects of those speeches, not so much because of their bearing on the present situation, but because of their possible effect on the thinking in this House of Commons, and among the public, about proper democratic processes, and the proper relationship between the civilian authority and the armed forces on the one hand, and the proper conduct of the executive and of members of parliament in relation to public affairs—and even in relation to party strife between groups of members of parliament in relation to public affairs.

Now, the hon. gentleman is sometimes inclined to set himself up not only as an authority, having made profound studies of parliamentary practices, constitutional traditions and parliamentary rules of procedure, but also as an example of rectitude for the rest of us to follow in our own public conduct. There seems to have been some indication at least on this occasion that members of the official opposition, by their applause, are taking the hon. gentleman at his own valuation.

Because of that I feel that, having a responsibility of leadership in this house, I would be remiss in my duty if, by my silence, I allowed the impression to be created that I agreed with any of the views expressed by the hon. gentleman on those two main branches, namely the proper relationship between the civilian authority and those responsible for the armed forces, and the proper relationship between the executive and members of parliament, and between members of parliament and the general public, and the manner in which it is proper for them to envisage their responsibility, and to shape their conduct accordingly.

Now, I wish to make it quite clear that I cannot agree with the hon. member on those aspects. I wish first of all to deal with the proper relationship between the civilian authority and those responsible for the organization and the training and—yes—the fighting of our armed forces, when they have to fight.

There is no doubt that under our system it is the civilian authority that is supreme; but there is also no doubt that those at the head of our armies do, as they have done ever since we have had armed forces, carry and discharge very heavy responsibilities to the nation to which they belong.

Mr. Harkness: We all agree with that.

Mr. St. Laurent: Now, the hon. gentleman seems to suggest that, whatever happens or whatever is said about them, they must remain silent, and still be satisfied to carry on and to discharge their heavy responsibilities.

Well, with that I do not agree. Nor do I agree with the suggestion of the hon. member for Melfort (Mr. Wright) that they have to be dumb, so far as everybody else is concerned, and not utter a word, except through the minister.

Mr. Wright: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Wright: The Prime Minister has said that I suggested they should be dumb. I did not suggest they should be dumb. I said they should speak through the minister who represents them.

An hon. Member: The same thing.

Mr. St. Laurent: I wish first of all to call attention to some of the expressions used by the hon. member for Winnipeg North Centre on Tuesday. At page 968 of *Hansard* he is reported to have said this:

> The point that we feel is most serious about this whole business is the question as to the proper place of the armed forces in a democracy. Are they the servant of the state, of the people of the country through their elected representatives, or are they in charge? Are the armed forces entitled to dictate to the government and to push other people around? In our view there has been too much evidence of that attitude throughout this whole business, and that is our primary concern at the present time.

Well, Mr. Speaker, I have not had any evidence of dictation to the government or of pushing people around. The hon. gentleman went on to say:

> Hon. members will recall that, when he—

The Prime Minister.

> —tabled the report, he placed on *Hansard* at the same time a memorandum from the chief of the general staff. During the course of his remarks at that time he stated that he was giving us that memorandum because the chief of the general staff thought that the views contained in that memorandum should be given publicity at the same time as the revelations contained in the Currie report itself. When the Prime Minister was questioned by my deskmate, the hon. member for Melfort, during the course of debate in the next day or so as to why he had done this, the Prime Minister interjected to say that he was prepared to give the answer right then and there. He said he did it because he was requested to do so by the chief of the general staff. In our view, Mr. Speaker, the chief of the general staff had no right to ask the elected Prime Minister of this country to table that memorandum, and in our view the Prime Minister had no right to accede to that request.

I take full responsibility, Mr. Speaker, for having acceded to that request and I disagree with the hon. gentleman in his statement that the chief of the general staff had no right to make that request. I submit that he had a perfect right to make that request and that it was a request about which I had to take the responsibility. I did take the responsibility of putting that document before the house at the same time I tabled the report, and I did so because there was a certain part of that report which, though it was a report dealing with only the works branch of the army, might be interpreted as applying to the whole army. If it were interpreted in that way it was in my opinion, as in the opinion of the general staff stated to me, something that would be very damaging to the organization and morale of our army.

What is it that is contained in the memorandum? It is printed at page 640 of *Hansard* and reads as follows:

> Army Headquarters
> Ottawa, 15 December, 1952
>
> The Minister
>
> I have read the report on the investigation of army works services by Mr. George Currie.
>
> He reaches conclusions and makes recommendations which must be the subject of careful study before I am in a position to advise you as to the extent to which remedial action has already been taken and what other steps I would recommend.
>
> In defining his task Mr. Currie states "I have conducted an investigation into the deficiencies and other irregularities of the engineering detachment of the army works services at Petawawa and elsewhere".
>
> However, included in Mr. Currie's report are statements which may be interpreted by the public as a condemnation of the competence, integrity and efficiency of the army as a whole. I refer particularly to the statements in the last paragraph of part 1 of his report.

This has already been referred to in the house as page 17 of the offset reproduction of the report. I continue:

> I understand this report is to be made public and if such statements made by Mr. Currie are interpreted by the public and the serviceman as having reference to the army as a whole the effect will be most damaging.
>
> I, therefore, request that Mr. Currie clarify publicly whether such statements are intended to refer, as his quoted opening remarks would appear to indicate, to the engineering work services only, or whether they are intended to refer to the Canadian army as a whole. If the latter is the intention then I would further request that Mr. Currie provide publicly the facts upon which such opinions and observations are based.

Under the National Defence Act the chief of the general staff has the responsibility for the Canadian army, and if a statement is made and put forward by the government without any qualification, or any hint that it does not agree with it, that is interpreted as reflecting upon the competence, integrity and efficiency of the army as a whole, I think it is the duty of the chief of the general staff to wish to have that cleared up, and if that is the conclusion that is ultimately arrived

at I am sure that anyone worthy of becoming at any time the chief of the general staff would feel that he could do nothing but abandon his position and let somebody else take over the responsibility who is going to discharge it in a more competent and efficient manner.

Here in this country, you know, public service, not only on the civilian side but on the military side as well, is provided by men many of whom do so at personal sacrifice of their own pecuniary interests, and the main and practically the only compensation they get for the sacrifice they make is the personal satisfaction of feeling that they are doing something useful for their nation and their fellow citizens. When it becomes apparent that they can no longer have that feeling, or can have the feeling that it is shared by those with whom they are performing that work, then there is no further reason for them to continue in office. Does anyone imagine, Mr. Speaker, that I would be doing for anyone but the public service what I have been doing for the last four or five years for the pecuniary compensation that I get for it?

Some hon. Members: Hear, hear.

Mr. St. Laurent: Does anyone imagine that the hon. member for Nanaimo (Mr. Pearkes) did what he did during the war years for the pecuniary compensation he got out of it? Fortunately there are many in this country—and I think it would include practically everybody in this house—who feel that when there is a service to be performed for the country and for their fellow citizens it is not the pecuniary compensation that is going to entice them to give that service. It is for the moral satisfaction they get out of it that they are doing their part, as their ancestors before them did their part, to build up the country and to pass it on to future generations as a good country of which to be a citizen and a good country in which to live.

All that was requested by the chief of the general staff was that if this document, which might have that ambiguous implication, were going to be made public, there should be an opportunity for clearing up the ambiguity and saying whether or not it did refer to the competence and integrity of the whole army set-up or whether it referred to the few crooks—and I am paraphrasing the expression used in the report—who had been guilty of irregularities, yes of crimes, for which our courts of justice have meted out to them the sentences they are now serving in our penal institutions.

If, in attempting to clear up that ambiguity, it was cleared up in a way that might reflect upon the competence and integrity of the whole army, then the chief of the general staff requested that further facts be made public to show on what the condemnation of their competence and efficiency was based. I think that it was not only the right but the responsibility and duty of the chief of the general staff to all the loyal officers and men under his command to take that position and to ask that the ambiguity be cleared up, and if it were maintained that a reflection was meant to be cast upon the efficiency of the whole service, then the facts upon which that assertion was made should be made public so that effective methods could be adopted to have and to maintain in this country the kind of competent and honest military forces upon which we have fortunately had the privilege of relying in two world wars where perhaps our very existence as a nation was at stake.

A second point with which I wish to deal is the statement made by the hon. gentleman that the chief of staff had no right to say—and I think his words were—"to the personnel of the service and the employees of national defence" that they were not to discuss the Currie report. Again, the hon. gentleman knows that the chief of staff never attempted to make such a suggestion to the employees of the Department of National Defence. The hon. gentleman knows that that direction was given on December 15 in the form of a signal which reads as follows:

> From: Can Army
> To: Wescom, Pracom, Cencom, Quecom, Eascom
> For GOC from CGS.
>
> Now, I take it that means: From Canadian army headquarters to western command, prairie command, central command, Quebec command, and eastern command, for general officer commanding from chief of general staff.
>
> Para One The report covering the investigation by Mr. George Currie of the army works services is about to be tabled in the House of Commons.
>
> Para Two It is possible that interested parties may attempt to obtain comments on this report from serving personnel. I would therefore remind you that this report is a privileged document in the hands of the government and it is obviously improper at this time for any serving officer or man to make any comment on it.

"Privileged document" I take it here is not "privileged document" as my hon. friend from Lake Centre (Mr. Diefenbaker) and I, in court parlance, would understand it. We would probably not describe that as a privileged document although it was a document which was in the hands of the government and which was about to be tabled in the

House of Commons. I think that this was a wise direction to say that possibly—

—interested parties may attempt to obtain comments on this report from serving personnel.

And—

—it is obviously improper at this time for any serving officer or man to make any comment on it.

Now, that is the second incident of the "dictation" referred to by my hon. friend, and to the "pushing around" referred to by him.

Mr. Diefenbaker: Are they free to discuss it now?

Mr. St. Laurent: I do not think it would be proper for them to be discussing it. I think that it is proper for them to wait until there has been some opportunity to obtain that clarification of the ambiguous portion to which the chief of staff refers in the memorandum addressed to his minister and with which, because of the absence of his minister, he asked me to deal.

Mr. Knowles: Would the Prime Minister permit a question? Does the Prime Minister know whether there was any order by the chief of the general staff requesting "that no discussion be entered into by employees of the Department of National Defence on the m/n report"—the reference being to the Currie report? If the Prime Minister does not know of any such order, perhaps I can have this little slip investigated.

Mr. St. Laurent: I think the hon. gentleman had better have that little slip investigated because the information I received was that the only direction given by the chief of staff was the direction that is included in this signal which went out from headquarters on December 15. That is the information I have and I have information that implies that there was no other attempted instruction given by the chief of staff.

In connection with that matter what the hon. gentleman said was:

Indeed as I have said, I read with interest in the press that the chief of the general staff had issued orders that members of the armed forces and employees of national defence were requested not to discuss the Currie report.

I have seen nothing in the press to that effect and the information I received is that this signal to the general officers commanding the various military commands throughout the country was the only direction given.

Mr. Knowles: When the Prime Minister is through I will come across and show him the slip to which I refer.

Mr. St. Laurent: The hon. gentleman has already shown me something the source of which has become a matter of considerable concern not only to me but to a great many of the public.

An hon. Member: A red herring.

Mr. St. Laurent: I am not anxious to share any confidences with the hon. gentleman which have been obtained in the way in which it appears that a copy of Mr. Currie's work was obtained.

The hon. gentleman went on to say that—

—while the chief of the general staff denies to the people to whom he can issue orders the right to discuss the Currie report, he does not hesitate to discuss it himself.

I assume that the hon. gentleman was referring to the terms of the memorandum I have just read. I submit that that memorandum is no discussion of the Currie report. It is a request that what the chief of staff looked upon as an ambiguity, an unfortunate ambiguity in the report, might be cleared up.

Another point with which I would like to deal quite briefly is the *Canadian Army Journal* to which the hon. gentleman referred. Now, I have here a copy of the *Canadian Army Journal*, the December number, and I have been informed that the message to the Canadian army from the chief of the general staff was written and sent in for inclusion in that publication in November before any part of the working papers or of the Currie report had come before the Department of National Defence—and long before there had been any criticism in this house of anything referred to in the Currie report. Now, the hon. gentleman has been very severe in the language he used with respect to this general message from the chief of staff to the Canadian army. It is true that the effect of this message was featured quite prominently in Canadian press dispatches that were published, perhaps before the first one I saw which was in a newspaper dated January 13. But it is not surprising that the press should, even if it had this for weeks, think that it was something of interest to the reading public to be featured in its news columns at that time.

This message was written because of a large number of critical references to incidents occurring in the army, and published over a period of months in some of the Canadian newspapers. The copy of his message to the Canadian army written by the chief of staff has annexed to it a large number of newspaper clippings, none of them subsequent to the date of the first showing of the working paper for the Currie report to the deputy minister of national defence. Now, I think that this message from the chief of the general staff to the Canadian army is quite a proper message for one to

issue to personnel for whose morale he is responsible, as he is for the competence and efficiency of the army of which he is the chief. That is all I wish to say about these relations between the civilian authority and the army. No one will gainsay that under our system the civilian authority is supreme in our constitutional set-up, but no one will gainsay that the armed forces are essential to the subsistence of our constitutional set-up, and no one will gainsay that their competence and efficiency depends to a certain degree upon the respect in which those who are at the head are held, and are entitled to be held, by the nation which they serve.

Now, the second matter with which I shall deal is the receipt and use of a stolen working paper, prepared on behalf of a professional man, and which the hon. gentleman thought it was his duty, in the public interest, to use in this house.

Mr. Knowles: On a point of privilege, Mr. Speaker, may I ask the Prime Minister (Mr. St. Laurent) if he is in a position to say categorically that it was a stolen copy?

Mr. St. Laurent: I think I will be in a position, within a very short time, not only to say that it is a stolen document but to say who stole it. But just drawing conclusions from obvious facts, I think it is quite obvious that that document was not obtained from the Department of National Defence. There was only one copy delivered to the Department of National Defence on November 27, and it was returned to Mr. Currie's partner on December 8 when the signed report was then delivered to the department.

The information contained in Mr. Currie's letter is to the effect that there were only ten copies of the offset pages stitched together, and his investigation had been such that he was able to account for all ten of them. There had been additional pages, some ninety or more perhaps, which had been prepared at the same time in the printer's office and neither Mr. Currie nor the printer was able to account for every copy of every page that had been offset in the same process and at the same time. At first he did not believe the copy was one of the offset copies, but it turned out to be one of them. He was allowed by the hon. gentleman to inspect the copy, and he and his representatives satisfied themselves that it was one of the same offset copies as had been prepared by this printing firm.

Now, that copy found its way into the hands of the hon. member for Rosetown-Biggar (Mr. Coldwell). At that time it did not appear to be very serious. This was a document that was going to be tabled, and whether or not one got advance information about it did not seem to be very important. When the hon. gentleman first mentioned it here on December 15 he was quite surprised that there had been, in the report as finalized and signed, any modification from the working paper of which he had a copy. But when he spoke on December 17, and when he spoke yesterday and again today, he knew from the information that I had given to the house that this was not a report nor a copy of the report, but this was a preliminary working paper which had not been completed, which had not been signed and which differed in some respects from the report which was made and which was signed.

There is no other possible suggestion for it being elsewhere than in the printer's office than the suggestion that someone improperly took it out of the printer's office and delivered it to the hon. member for Rosetown-Biggar.

Mr. Graydon: It might have blown out of the window.

Mr. St. Laurent: No, those pages had not been stitched together, and I do not think the hon. member for Peel (Mr. Graydon) would seriously suggest that it would so happen that 74 pages would be blown out a window, picked up in the alley and from there brought to the member for Rosetown-Biggar.

Mr. Knowles: That would be an ill wind that blew the Liberals no good.

Mr. St. Laurent: The experience of the Liberals has not been that Providence treats them in that unkind way.

Now, I am assuming that this copy was taken without Mr. Currie's consent or without the consent of anyone authorized to give consent on Mr. Currie's behalf, and without the printer's consent or the consent of anyone authorized to give consent on the printer's behalf. In common parlance that is usually referred to as stealing. The whole situation has all the earmarks of the copy having been taken away in a manner which is called theft. I would think that possibly under the circumstances there would be such public-spirited citizens that, if they felt they had come in any way into possession of information that was essentially of interest to the security of the state, and that they did not trust the members of the government or any supporter of the government with that information, they might think it was a proper thing to convey it to somebody other than a member of the government or a supporter of the government. But I think that the obvious choice they would make would be

to convey it to the leader of the official opposition whose duty it is to see to it that information of real interest to the public becomes available to the public. This document did not go to the Leader of the Opposition (Mr. Drew). It went to my hon. friend's leader who has not yet become the leader of the official opposition.

Mr. Fraser: And never will.

Mr. St. Laurent: I do not want to make any prophecies. After all, I am in my own country, and no one is a good prophet in his own country. I therefore leave it to the hon. member for Peterborough West (Mr. Fraser). However that may be, the fact that this document did not go to the leader of the official opposition seems to nullify the suggestion that it might be in the discharge of a patriotic urge to save the country that it was being communicated. I am not saying that this was the case, but if it was being handed to the leader of the C.C.F. group as an implement to be used in party strife, all I can say is that I would deprecate it greatly if our politics sank to the level where, in the conduct of our strife with each other, we had to have agents to steal confidential documents or had to have agents to tap telephone wires.

Some hon. Members: Oh, oh.

Mr. St. Laurent: It is something of the same nature and something about which—

Mr. Fulton: The government of which you were a member was the one to have that done.

Mr. St. Laurent: Mr. Speaker, I am sorry but I did not catch that interjection. This amplification system is convenient in some ways but it does not allow you to catch all the interjections which come from the various corners of the house.

Mr. Fulton: Especially those you do not want to hear.

Mr. St. Laurent: I will tell my hon. friend that, except when he is making a long and repetitious speech, I like to hear what he has to say.

Mr. Fulton: The same thing may be said about others.

Mr. St. Laurent: I think there are privileges that members of parliament have, and that those privileges are not only sacred to them but are essential to the proper functioning of our democratic institutions. Quite frankly, however, I may say that I do not think those privileges require us to receive stolen property and to make use of it. We are all of us responsible to the public and each one of us is responsible to the electors of his constituency. I do not think that anyone wants to set himself up as too severe a judge of others; but there are definitely implications—

Mr. Diefenbaker: Mr. Speaker, I have no brief for anyone but I do not think that the Prime Minister—

Some hon. Members: Sit down.

Mr. Diefenbaker: Mr. Speaker, I rise on a question of privilege. I do not think that the Prime Minister or anyone else in this house has a right to say of a member of parliament that he is a receiver of stolen goods.

Mr. St. Laurent: Mr. Speaker, I do not want to insist upon a technical legal definition.

Mr. Diefenbaker: I should hope not.

Mr. St. Laurent: But I suggest that no one is entitled, because of his privileges as a member of parliament, to have in his possession a thing that has been stolen if he knows it was stolen.

Mr. Knowles: Mr. Speaker, I rise on a point of privilege. Is the Prime Minister suggesting that my leader knew that he was receiving a stolen document?

Mr. St. Laurent: I am not making any suggestion at all. I am merely commenting upon facts which are already notorious to the Canadian public.

Mr. Diefenbaker: Mr. Speaker, I rise again on a question of privilege. I think that, on mature reflection, the Prime Minister will realize that statements like that should not be made. The other day, Mr. Speaker, you ruled that a suggestion about independence—

Some hon. Members: Order.

Mr. Diefenbaker: Oh yes, Mr. Speaker, you ruled that even a suggestion from this side of the house that members were not independent was dangerous to the privileges of parliament. I hold no brief for wrongdoing, and I know nothing about this matter; but surely the Prime Minister dare not make such statements.

Mr. St. Laurent: I am subject to your direction, Mr. Speaker.

Mr. Wright: I rise on a question of privilege. In my opinion—and I think a reading of *Hansard* will prove that I am right—the Prime Minister has implied that the leader of this group received stolen property knowing that it was stolen.

Some hon. Members: No.

Some hon. Members: Yes.

Mr. Wright: I think a reading of *Hansard* will indicate that; and I would ask you, Mr. Speaker, to ask the Prime Minister to withdraw any such implication.

Mr. Speaker: I did not understand the Prime Minister to make that statement. I will leave it to him. The Prime Minister knows whether or not he made that statement.

Mr. St. Laurent: What I stated was that this was a stolen document, and that, prior to coming into the possession of the hon. member for Winnipeg North Centre (Mr. Knowles), it was in the hands of the hon. member for Rosetown-Biggar (Mr. Coldwell). I do not know how it got there, but it is a stolen document. To anyone who does not know any more than I know about it, it appears to be a stolen document. I think that anyone who has it would feel some concern as to whether or not it was a stolen document.

Mr. Knowles: Mr. Speaker, on this point of order or question of privilege, may I say that I feel it is a particularly serious matter, especially in view of the unfortunate absence of the hon. member for Rosetown-Biggar. The Prime Minister keeps using language that suggests that the hon. member for Rosetown-Biggar knew, when he received this document, that it was stolen, and I object to that language.

Some hon. Members: No.

Some hon. Members: Yes.

Mr. Knowles: Mr. Speaker,—

Mr. Speaker: Order. I cannot hear what is being said because there are so many interruptions.

Mr. Knowles: If the Prime Minister did not mean that and will say clearly that he did not mean it, I will not press the point further. May I remind you, Mr. Speaker, that, in addition to this language, a few minutes ago the Prime Minister said he did not think it was necessary for us in parliament, in the pursuit of our privileges, to have agents out getting this kind of property. That is a suggestion that my leader had an agent out trying to get this property, something which is completely false. As a matter of fact—

Mr. Speaker: Order. That point can be denied later on.

Mr. Knowles: I deny it categorically.

Mr. Speaker: The question I am concerned with at the moment is whether the Prime Minister has at this time stated that the hon. member for Rosetown-Biggar received the report knowing, at the time he received it, that it was stolen. I did not understand him to say so. I should like to clear up that point.

Mr. St. Laurent: I did not intend to say that he knew it. I intended to suggest that circumstances were such that he might very well be thought to have known it. I do not know whether he did or not—I hope he did not.

Mr. Graydon: Why don't you clean the whole thing up by withdrawing?

Mr. St. Laurent: I am not going to clean the whole thing up by withdrawing anything I have said because I cannot, by anything I say, manufacture facts nor alter facts that have taken place.

Now, with respect to the suggestion that the letter printed in *Hansard* of Tuesday constitutes a threat, I cannot read it as being such. Was it, or was it not, proper that any efforts be made to find out how this confidential document went from the printer's office to somewhere else? I say from the printer's office, though until the matter is cleared up there could be suspicion on every person connected with both the printer's office and Mr. Currie's office.

It is known—and it is nothing to be ashamed of—that both in the printer's office and in Mr. Currie's office there are people who take an active interest in party politics, and who have done so, exercising their proper democratic right. Until this matter is cleared up everyone who could possibly have done this thing of communicating one of Mr. Currie's working papers to somebody unauthorized to have it is equally subject to suspicion. All that was said to the hon. member for Rosetown-Biggar was to notify him that at Mr. Currie's suggestion the R.C.M.P. were being—

Mr. Knowles: No.

Mr. St. Laurent: Perhaps there was no suggestion about the R.C.M.P., but Mr. Currie's suggestion that there might be further investigation. The R.C.M.P. were being asked to make that further investigation. Well, what would the hon. gentleman have said about the Minister of National Defence if he had requested that the R.C.M.P. continue that investigation without giving any notice whatsoever to the hon. member for Rosetown-Biggar? This is merely information that the R.C.M.P. is being asked to follow up the investigation that Mr. Currie has been making, and the suggestion that if he felt it proper to say where the document came from it might facilitate the investigation. There is no veiled threat there, no attempt to coerce, no attempt to put pressure upon anybody, and no attempt to draw any red herrings across the situation that the hon. gentleman qualifies as "having been caught in the act". That is a suggestion made with respect to the

changes that appeared between the working paper and the draft that was finally signed by Mr. Currie.

Those changes were made entirely upon the responsibility of Mr. Currie, who was making a report to the Minister of National Defence, not a report to the House of Commons, not a report to the governor in council, but to the head of the Department of National Defence. I was surprised that there had been any prior discussion of the terms in which that report was to be made. But the hon. gentleman and I do know that when the Mainguy report about the navy was published it did contain factual mistakes that were used in an effort to throw some discredit upon it. And I do not think it is strange that the minister should have hoped that this report would be as free from mistakes, factual mistakes, as possible.

The thing that I wonder at is that there were not more comments made to Mr. Currie's representatives about some other things which appear to be factual mistakes in the terms of this report. As I remember it, there was not anything at all said about the horses, and we now have it quite clear that there were no non-existent persons placed on the payroll, and there were no horses placed on the payroll. Perhaps I might take this opportunity of referring to a remark of the hon. member for Nanaimo in his interesting speech, following the Minister of National Defence, that because I had made a qualification about the information I got, we appeared to be more ready to accept the testimony of a man who is now in the penitentiary than the categorical affirmation of Mr. George Currie.

Well, I hope the hon. gentleman understood that when I was making that qualification it referred only to such matters as were not those that would appear in the official documents. The names of all those who were put on the payroll are on the payroll, and they are all names of existing persons. What I was qualifying—

Mr. Graydon: They were playing proxies for the horses.

Mr. St. Laurent: Well, perhaps the hon. gentleman has not had the experience I have had of acting sometimes as a teamster. I do not think that the teamster is a proxy for the horses that are pulling the load. What I was making the qualification about was as to the refund that was handed back by the teamsters to Sergeant Young who had provided the horses. That does not appear on the payroll. That information was gathered from written confessions made by Sergeant Young both to the provost corps officials and to the R.C.M.P.

[Mr. St. Laurent.]

Now, he is a man who has been convicted and who is now in the penitentiary. Like the hon. member for Nanaimo, I would not care to vouch for the absolute accuracy of everything he said. His statement was that the teamsters retained the ordinary 75 cents plus 5 cents and refunded the remainder to him. Now, that cannot be checked from official records. That is an illegal, irregular transaction that took place between these teamsters and Sergeant Young, and that was the part of my statement upon which I was making the qualification.

While I am dealing with them, I should like to refer to one other point. On Tuesday night the Leader of the Opposition made a broadcast on the Canadian network, the text of which had gone out and was distributed for release at 7.45 eastern standard time. I have it on good authority, from persons who listened to the broadcast, that there were some additions in what went over the air that were not in the text. The reference in the text to the Petawawa horses is this:

> The thought of horses on the payroll in the name of non-existent men has been a cause of merriment, and understandably.

It certainly has been the cause of merriment, and the subject of some pretty clever cartoons. I have it from the testimony of persons who heard what went over the air that over the air it was in this form:

> The thought of horses on the payroll in the name of non-existent men—that was reported by Mr. Currie and hasn't been seriously challenged yet—that has been a cause of merriment, and understandably so.

This went over the air on Tuesday night, but I am convinced that it had been recorded for broadcast before the statement I had made in answer to the question of the hon. member for Hamilton West (Mrs. Fairclough), which I think would be taken as at least quite a serious challenge to the statement that there were horses on the payroll in the name of non-existent men. But I know from my own experience that frequently there are recordings made that go out over the air at the release hour or date.

Mr. Graydon: That was his working paper.

Mr. St. Laurent: Well, no; the hon. member for Peel (Mr. Graydon) suggests that the text was a working paper. It was a paper that was delivered to those who are interested in getting the text for release at the time the broadcast was made, while the working paper we have been discussing here was just about ten days prior to the date that the report was completed and signed, and actually delivered.

Unfortunately, however, many of those who heard the broadcast did not hear that there had been any answer to the question of the

hon. member for Hamilton West as to what were the actual facts about the horse incident that had, understandably, caused such merriment.

Now, with respect to the amendment suggested by the hon. member, Your Honour has said that this is a direction which would be in order. It certainly appears to be a direction to the committee to do something that they would have the right to do without being directed to do it, and therefore something within the ruling you had previously made. But in view of all the facts which surround the Currie report at this time, I feel that the committee should be left to its own good judgment as to what it might or might not do in that connection, after it will have had an opportunity of hearing the witnesses, including Mr. Currie himself. And, though it is in order, I propose to register my vote against the hon. member's amendment, when we reach the appropriate time to do so.

Mr. Ray Thomas (Wetaskiwin): Mr. Speaker, we in this group pressed for many years to have the committee on defence expenditures set up. We spoke in favour of it last year, and we are glad to see it set up again this year. During the last session I think the committee did a great deal of extremely valuable work. But all we did in that committee was to learn something about the organization of the armed forces, and to obtain a background for work to come.

I feel now that the committee is ready to proceed with its investigations into the realm of defence expenditures, to look into the entire field and to come forward with some mighty valuable results. To date we have not actually investigated to any great extent in regard to the actual defence expenditures. But if the committee set up this year works fearlessly and without thought of political affiliation, if it works without thought of endangering the stand of any party, then I think we can make an extremely valuable contribution, and one that will reflect great credit upon the members who comprise the committee.

I am not going to say much about the contents of the Currie report. We put our position quite clearly last fall with respect to it. I would repeat at this time that at no time have we put the blame on the shoulders of the army, but rather we feel that the blame for the entire situation lies with the administration of the Department of National Defence. We do condemn the government for not paying strict enough attention to the spending of the taxpayer's dollar in this regard. We find that today we labour under a tax structure which bears a ratio of five to one with that of 1939. The people's savings are beginning to become pretty well depleted. The dollar has devaluated to the point where people are having difficulty in meeting their bills. The least they can expect is full value for the defence dollar.

Canadians are entitled to and are demanding that we have strict honesty, maximum efficiency and maximum economy in the carrying out of our defence program. In this connection I should like to place on record part of an editorial from a recent edition of the Calgary *Albertan*. This is what it says:

> The armed forces are notoriously wasteful and inefficient and apparently not much can be done about it. But unless there is an effort to control it, it can get completely out of hand. That's what happened here. There was no effort to control it. Certain senior officers must take immediate responsibility, but ultimately the defence minister, Mr. Claxton, must answer to the people.

I take it that this editorial refers only to the administration and the accounting in the army, and not to its ability in action. All hon. members know about the reputation and the ability of our army. Last fall the Acting Minister of National Defence said that in their rush to get men to fill these positions they had to take the good, bad and indifferent. I agree with him. They got the good—and all the army, with very few exceptions, is good. They got the bad—yes, they got a few crooks, as is pointed out in the Currie report. They got the indifferent; and in my opinion the indifferent are the entire Department of National Defence.

The acting minister said further that we had a shortage of staff, and the other day the Minister of National Defence (Mr. Claxton) reiterated that statement. If that is true, why were they so eager to let out so many civilian employees and so many of the personnel of the armed forces, when they knew that a dangerous condition might arise, and that these people might be needed in the near future?

Then, too, if they want to know where to get some men, perhaps they could borrow them from the Department of National Revenue; because some of the so-called little Hitlers who are running around the country checking up on people for their income tax returns might do a mighty good job digging into what is done in the Department of National Defence. And if they are half as good as some of them think they are, then that is the place for them.

Last fall the acting minister made reference to a bank robbery, and said that if a bank were robbed the president was not held to blame. But if the president left the money out on the sidewalk he would be to blame. And we find a similar situation in this

instance, because the goods in question were left in the open, with no security measures being observed. They were just asking to be picked up by these people who are described as crooks.

He said, too, that if there were shortages, or that if there was embezzlement within a bank, the employees involved, and not the bank manager, had to pay the shot. The same reply could be made again, that if, through his lack of management, the bank manager made embezzlement possible, then he would be at fault and would be blamed accordingly. Not only that; if a report were made on that particular bank and those findings were made public, they certainly would not be turned over to the bank manager first for his O.K. and correction before being given out. The Minister of National Defence (Mr. Claxton) may feel, from the fact that he asked Mr. Currie to make this investigation, that he was justified in asking for the report before it was presented to parliament. I also agree that it would be regrettable if there were any mention in the report of the young chap who was acquitted. I also should not like to see R.C.M.P. records put in such a report; but the fault in that regard lies with the minister because when he turned over the job to Mr. Currie he should have made clear what he wanted and did not want in the report. We do not like getting a watered-down report like this one in the House of Commons.

I noticed that the Prime Minister (Mr. St. Laurent) today called the papers in the hands of the leader of the C.C.F. (Mr. Coldwell), working papers. That is the first time that expression has been used in the house. It is a happy thought devised by someone in the government in order to make appear less objectionable the actions of the minister in putting pressure on Mr. Currie to force him to make certain changes in the report before it was signed and delivered.

That brings me to the subamendment. Mr. Currie was appointed to investigate, and made his report. The minister intimated yesterday that the report was of very little value. In the letter of the minister which was accidentally placed on *Hansard*, and which I understand actually was not sent, the minister told Mr. Currie that. It certainly gives the minister's viewpoint on it.

The fact that Mr. Currie did yield to pressure has caused members of the house to lose a lot of confidence in him. Unlike the Minister of National Defence, we feel the report has been an extremely valuable contribution but we regret that Mr. Currie allowed himself to be intimidated. Therefore in the opinion of this group Mr. Currie's usefulness is pretty well at an end because, for entirely different reasons, he has lost the confidence of members on both sides of the house. We cannot support the subamendment which asks that Mr. Currie be requested to continue and investigate the entire defence structure. We feel instead that a judicial inquiry should be carried on. We believe that a royal commission should be appointed to dig into the defence set-up, including contracts, buildings and everything else relating to defence and defence construction, and that a report should be made to the house as quickly as possible.

Coming to the amendment moved by the minister, he said yesterday that the loss, which was somewhere in the neighbourhood of $50,000, was practically negligible when compared with the total expenditure. If that is so and he feels that these losses are of little consequence, why does he insist on the defence expenditure committee looking into the matter first before investigating anything else? Mr. Currie pointed out that there were irregularities. They have been investigated and some of his recommendations have been carried out. The losses incurred have been made known. In my opinion the report has served its purpose.

Mr. Speaker, in view of the minister's statement on the report and his reference to Mr. Currie, and the fact that any political damage which could be done by the report has been done, I wonder whether or not this could be a move to keep the committee from digging into further defence expenditures, investigations which might be embarrassing.

Mr. Fournier (Hull): That would not be according to the facts. Read the reference before the house and you will see that it covers all expenditures.

Mr. Fair: Then we had better let the committee get at the facts.

Mr. Deputy Speaker: Order, order.

Mr. Thomas: Mr. Speaker, I was amazed that the Minister of National Defence would move such an amendment to the motion; first, because it has never been done; second, it would appear to me that it is an indication of lack of faith in the ability of the committee; and third, as I said before, it might be interpreted as a means of bogging down the committee in work which has already been hashed over.

I just want to say one word about the report and the criticisms issued by the chief of the general staff. Many of the points covered by the Prime Minister this afternoon were well taken, but I sometimes

wonder whether or not the request that the members of the armed forces should not talk on this subject might come as the result of a fear that people might learn something that he did not want them to learn. I also wonder just how far the chief of the general staff would go and how long he would last if his statements, severe as they were, were contrary to rather than in favour of government policy. It seems to me rather strange that the chief of the general staff would instruct the men under him to keep silent but at the same time get up and speak himself. It is very much like the socialists; they always believe in socializing everyone but themselves, and it just does not make sense.

Mr. Bryce: Keep to the Department of National Defence and never mind socialism.

Mr. Thomas: I do not intend to take any further time of the house, but I do want to say that in my opinion this whole thing is another indication of the total disregard this government has for parliament, for parliamentary procedure and for the people whom these members represent.

Some hon. Members: Hear, hear.

Mr. J. G. Diefenbaker (Lake Centre): Mr. Speaker, I have been in this house for almost thirteen years, and I must say that in those years nothing has ever happened to equal what took place this afternoon. I cannot understand the attitude of the Prime Minister (Mr. St. Laurent) in charging a member of this house with one of the most serious criminal offences with which a member can be charged and then finally, having made that charge—unwithdrawn—having recourse to the explanation that he believed that that was a fact.

This is a sorry day for parliament—for the preservation of this institution where, in the discussion of public affairs, however heated we may become on occasion, the maintenance of the proprieties must at all times be upheld and meticulously observed, not only by private members but by the Prime Minister as well, whose rights are no greater than those of any private member in the House of Commons.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I should add that I hold no brief for those who have done wrong, and if wrong has been done it should be punished.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I see the Prime Minister coming in now so I am going to repeat what I have said. In all my experience in the House of Commons, having seen him through the years observing those proprieties without which parliament cannot be preserved, this afternoon was an occasion the memory of which I can only hope the years will erase. The Prime Minister charged a member of the House of Commons with a serious criminal offence, with no more proof to date than an investigation. I say to the Prime Minister that trials do not take place in the House of Commons. They still remain in the courts. I am disturbed by what the Prime Minister did this afternoon. I think he did it in one of those moments of very great annoyance when discretion leaves as annoyance mounts.

I know nothing of the story connected with the migrations of the document and how it passed from hand to hand. However, my mind goes back, sir, to 1949 when the Prime Minister, speaking in the city of Regina, said there was only one difference between Liberals and C.C.F.—that the C.C.F. were Liberals in a hurry. That might be an explanation of the reason they acquired the document before it came officially to the notice of the house.

Mr. Martin: That is the best part of your speech so far.

Mr. Diefenbaker: This afternoon I am not going to be sidetracked into dealing with the army and the responsibilities of the C.C.F. for getting possession of documents before parliament had them, however embarrassing those documents may be to the government. After all, the issue is—and I say this to the Prime Minister—what are you going to do about this? The Canadian people today, taxed as never before, are not asking us to fight sham battles in the House of Commons or to raise smokescreens regarding circumstances under which documents came to the public gaze. What they are asking the government of this country is to see to it that for every dollar spent for defence a dollar in value will be secured, and that waste and extravagance will end.

One of the things the Currie report did was to give proof, and final proof, of many of the allegations made by the Leader of the Opposition (Mr. Drew) and those associated with him, many of them soldiers distinguished in war. Over the years they have stated in this house that waste and extravagance existed in this country. The government intends to do nothing, having appointed Mr. Currie and having placed on his head the halo of all perfections, but set up a committee in parliament with a large and overwhelming majority of Liberal members to determine whether the investigator came to the right conclusion.

That is a strange procedure. I know that on occasions—and I am sure this applies to

the Prime Minister—having had a case tried as Currie tried this case and being dissatisfied, being on the losing side, I would have liked nothing better than to get together with the judge or, in the absence of the judge, friends of the losing litigant to review the findings of the judge in order to make them more palatable. That is exactly what is being done by the motion before the house. I thought that today the Prime Minister would stand up in his place and, instead of giving us a lecture on how parliament should act, do something such as was done during the first world war when there was wrongdoing. The prime minister of that day did not ask that the committee of parliament to be set up should be overwhelmingly Conservative. What he asked was that the public accounts committee be set up, and that it go to work and bring in, unfettered by any consideration, the truth as the truth was revealed.

I have before me the debates of that time. I enjoin the Prime Minister even yet to follow that example in setting up this committee. Committees of parliament heretofore in dealing with controversial matters have never shown that independence of their master's voice that is to be expected in a committee that is to review the review made by Mr. Currie, the appointed representative of the government. In 1915, when the public accounts committee was convened, Right Hon. Sir Robert Borden gave these instructions through a representative to the committee and the committee acted on them. I quote from page 2604 of *Hansard* for April 15, 1915:

> I want to say that if there is any information the committee want, or any wrongdoing, then as far as the government is concerned we want to ferret it right to the bottom; we do not want to shield any person.

Later on he said:

> The government is determined to protect fully the interests of the country in this and in all cases and to take such proceedings as may be necessary for that purpose. I want to repeat here again that so far as this government is concerned they want to prosecute their investigation to the very utmost limit.

Again, on another occasion:

> As representing the government I have stated that we want to get to the bottom of these matters.

With those instructions from the Prime Minister and his representative, the committee met and brought forth evidence of wrongdoing. It exposed wrongdoing instead of adopting the attitude that is being adopted in this case, of trying to have a committee set up in order to review the findings of the umpire appointed by the government, dissatisfied with those findings.

I was amazed at the statement the Prime Minister made this afternoon. Just as a matter of information, I asked him when the army would be able to talk about the Currie report, when the ban against free speech in the army would be removed. The answer he gave was in effect that he presumed it would be after the committee had reported on the report. That is a new type of freedom of speech, the right of the men in the armed forces to voice their opinions on the Currie report after the government has taken that report and put it through the whitewash of a committee which is apparently being set up for that purpose. No, Mr. Speaker, you cannot erase the words of that Currie report. I believe it is in the Rubaiyat of Omar Khayyam that it is written:

> The moving finger writes; and, having writ,
> Moves on: nor all your piety nor wit
> Shall lure it back to cancel half a line,
> Nor all your tears wash out a word of it.

The Currie report stands as one of the greatest indictments of a government ever rendered, for its failure to discover waste and extravagance. It supports the stand taken by the Leader of the Opposition (Mr. Drew), by the hon. member for Nanaimo (Mr. Pearkes), by the hon. member for Kamloops (Mr. Fulton) and the hon. member for Calgary East (Mr. Harkness). Every time they brought this matter before parliament they were ridiculed. Now the report tells the story.

A rewrite job cannot remove the findings made in that report. It provides the final proof of what Canadians have suspected and have been speaking about from one end of the country to the other, that there is waste, extravagance and negligence of the government in the administration of expenditures for our defence, not only in Petawawa camp but elsewhere. It is not the army that is responsible, and it is not my hon. friends to the left who have the unexpurgated working papers. The responsibility rests upon the government of this country and upon the Prime Minister. It is not discharged by him by reading a lecture to the house or placing himself, as it were, above these things, as if grandchildren were acting rather naughtily without his knowledge.

Today, Mr. Speaker, the Prime Minister had an opportunity of making a declaration that where wrongdoing existed—not the petty thievery to which he referred, but where waste and extravagance existed—it would be eradicated. Instead of taking such a stand, a stand which would have won the keen admiration of the members of this house and of the people of this country, he took it upon himself to devote his time to certain things—if they are wrong that has yet to be established—which in no way afford an escape-hatch to the government for its failure to carry out the responsibilities that it must

carry out. When Canadians are being taxed at the highest level in Canadian history, surely they have a right to ask that the attitude of the government will not be that of the Minister of Trade and Commerce (Mr. Howe) —"What is a million anyhow?"—or the recent attitude of the Prime Minister following a suggestion by one of the members of the opposition—". . . that would be only a $3 million saving". The government may set up a committee, and the committee may act as it would act if it were directed, but it cannot remove these two portions of the report which read as follows:

> The conclusion I have come to is that, while there has been a general breakdown in the system of administration, supervision and accounting, it was only at Petawawa that extensive irregularities over a prolonged period of time took place.

Those are the words concerning a general breakdown. Where is there anything of hope for the Canadian people in the message of the Prime Minister today? Calumny of political opponents cannot answer what the Canadian people are asking us in this parliament to do, to end waste and extravagance, realizing that our defence problem will possibly last for generations. Surely the taxpayers of Canada have the right to ask that they be relieved, by the practice of the luxury of denial of waste and extravagance on the part of the government, so they may look forward to reductions in taxation; and by that I do not mean cyclical reductions where the cycle comes around just prior to an election. On the same page of the report, negligence and downright stupidity are revealed in these words:

> —it must be said that internal warnings had not been lacking in the Department of National Defence. The chief auditor of the department had performed his functions conscientiously. Time and again he had reported unsatisfactory conditions. This is clear from appendix "B" which summarizes his findings over a period of years.

Carelessness is nothing recent; it has continued over a period of years. The report continues:

> The deputy minister in each case had directed the quartermaster general to investigate and report. Lack of adequate action at this point had, however, caused a progressive deterioration in the situation. Aside from reports being delayed for considerable periods of time, the record shows the next audit revealing conditions similar to those previously reported and, in some cases, worse. The process is then again repeated.

If ever there was an indictment of a department, surely that is one. I am glad to note that the minister said he is not looking for any scapegoats. As far as I am concerned we have had enough animals in this matter without a scapegoat. No minister need become a scapegoat. The responsibility is that of the government and of the Prime Minister (Mr. St. Laurent), and it cannot be discharged by placing the responsibility or the blame on the Minister of National Defence (Mr. Claxton) alone.

Then, at pages 715 and 716 the report continues:

> There was in addition a serious collapse in security. There was little to prevent or to detect the organized plundering of military stores on a systematic scale, although apparently comparatively little of it took place. If there is excuse for inefficient accounting, there is none for the failure of security which is, after all, a prime military consideration. I take a serious view of this breakdown. If it is easy to pilfer military stores, then, by the same token, it is easy to sabotage military equipment.

Then again, a little later on:

> As mentioned earlier, I consider the security measures in force at Petawawa and elsewhere inadequate.

In other words the condemnation extends to lack of security at Petawawa and other camps. The responsibility for that rests upon the government of this country, and it is a responsibility that is not discharged by the setting up of a committee to ascertain whether or not it will be possible to secure a report that will consist of a varnish or an embroidery of wrongdoing instead of a demand on the part of the Prime Minister and his cabinet that this kind of thing must end.

Yes, we are "spending ourselves to destruction." That is what Lenin said. One of the hopes of communism is that in raising our material defences we shall so continue as to weaken our defences of the soul and of the spirit, that private enterprise will cease. When I look at the Canadian record of expenditure which is revealed again in the Currie report, I think it indicates, as we realized after Korea, that for the billions of dollars spent before that date we had little or nothing to show.

I think one of the records that has been established by this government is this. Never before have so many Canadians paid such high taxes for so little defence. That, in effect, sums up the record, Mr. Speaker. The report indicates that waste and extravagance have taken place. It also indicates that the road is one of uncontrolled spending and that, regardless of warnings given by spokesmen in the opposition on defence matters, by the hon. member for Nanaimo and others, the same conditions prevail in even exaggerated form. If some of the information that comes to members of parliament, and which has come to me, is in fact correct, it indicates that in the building of airports in this country waste is not one of those things that is being denied by careful accounting on the part of the government.

What is the government trying to do? They want to set up a committee. They make a microscopic examination with regard to

some of the mistakes that they say exist in the report. No amount of explanation with regard to horses can ever eradicate one thing and it is this. However they were there, there was in fact fraud connected with their being there; and no denial on the part of the government can answer the allegation that at Petawawa there was in fact a situation that has given to Canadians as a whole a horse-laugh but at the same time a realization that if such things could exist, there is no limit to the extent to which waste and extravagance could go undetected.

We ask for action. The Canadian people are asking for action. They are asking for a reduction in taxation. Mr. Speaker, the by-elections in the last two years have indicated clearly that the Canadian people have not that confidence in the government which the government has in the committee that it intends to set up to examine the report by Mr. Currie.

Rights of parliament? Mr. Speaker, no one wants wrongdoing. But the synthetic rage exhibited by the Prime Minister today will not give an answer to the Canadian people, to the question as to why it is that waste and extravagance exist. The people of Canada are beginning to realize why taxation is at its present high level. I am sure that if it continues much longer the Canadian people will be saying to the government what Cromwell once said: "You have sat too long here for any good you have been doing. Depart, I say, and let us have done with you."

Mr. Speaker, the by-elections reveal the people's feelings. In 1935 Mr. King—and I have his speeches here—was answered by those then on the government benches in the same way: "We have a majority". His reply was in effect: "It is a phantom majority. It may be able to secure results now but it is no longer representative of the desire and the wishes of the Canadian people." I believe that today Canadians are not asking for smokescreens by the Prime Minister, and not for annoyances built up over the discovery of a document which, according to the Prime Minister, should not have been brought before parliament. What the people want to know of this government is this, and I come back to it because it is the subject in the minds and hearts of Canadians. Are you no longer qualified to meet the challenge to do away with waste and extravagance? Have you become all-powerful? Must a man like Pitt in Winnipeg be dismissed, or rather translated into other spheres because he did not show the respect to the members of the government, or to some of them, that those members believe they are entitled to? Have we come to a position in this country where, regardless of what is being done, a committee is to be set up the purpose of which is as clear as one's hand in front of him? That purpose is to dissuade Canadians from believing in the integrity and the capacity of Mr. Currie who last March, April and May was pictured by members of the government as a man fitted in every way to discharge his responsibility with honour, with integrity and with responsibility.

What is the committee going to do? It is going to sit; it is going to review the Currie findings. Does anybody in this house suggest that those findings will not finally be diluted by the kind of examination that will take place? Will they not be given a gloss and a polish? Will the rough things not be removed, the elevations removed and the depressions filled in?

Mr. Studer: Why do you always ask for them?

Mr. Diefenbaker: Until that is done the Prime Minister says he believes it is fit and proper that the members of the armed forces of this country should not be permitted to discuss the matter. They are frightened; they are afraid to give any information any more. They are afraid to tell a member of parliament anything because if they do they place themselves in jeopardy. I am not speaking about this report now; I am speaking about the fact—and I say it to you, Mr. Speaker—that wherever one's parliamentary rights are interfered with each and every one of us has a responsibility, whatever our party, to oppose it. And if we come to a point where our sources of information are dried up by threat or fear of intimidation, then we are indeed placed in a position where wrong will be concealed, where the things that ought to be revealed will be kept under the kind of lid the Prime Minister and those associated with him believe will result from the setting up of this committee.

Members of parliament have no privileges to do wrong. Their privileges are restricted as they should be restricted. Indeed, our privileges are fewer than those of members of the British parliament. When approaching parliamentary buildings they have the right over approaching traffic, and are thereby preserved from potential injury. We do not have that here.

We can learn from the British parliament, and the quotations already given indicate above everything else that a principle is at stake, whatever the party may be, whoever the individual in parliament may be. The independence of members of parliament must

be maintained inviolate and not subject in any way to challenge unless a criminal offence is committed.

I am not going to say anything about the answer of the Minister of Justice (Mr. Garson), but on several occasions when he has been asked "Why are you not doing something in that matter?" I have heard him say, in effect: "We cannot; the Attorney General of Canada dare not use the Royal Canadian Mounted Police. Prosecutions under the Criminal Code are a matter for the attorney general of the province." I remember once he read me a lecture on the subject of the use of the police force. I am reminded too of the one he read to the house urging that appeals to the privy council should be abolished in order to remove colonialism from Canada; and he was the first one to appeal when he was dissatisfied with the judgment and secured one there that undermined the constitution.

I say this to him: He had no right to utilize the services of the Royal Canadian Mounted Police unless a charge had been preferred or an information laid, or unless the investigation was in pursuance of the attorney general's direction. I am pointing that out to him because I am quoting in effect the stand he has taken repeatedly.

Whatever happened in so far as that document is concerned, what annoys the government is that it was found out that the report brought before parliament had received treatment, the Lux treatment, in order to remove any stains on the government that may have been there. I sometimes wonder, Mr. Speaker, whether the reports we receive and the answers given in reply to parliamentary questions do not indicate that a similar form of treatment has been accorded them before being tabled in the House of Commons.

Parliament has its rights. Without parliament freedom cannot be maintained. Wrongdoing it will not condone. But parliament dare not allow its national police force to be used in any way that may be considered political, or to have a political purpose in mind. That is the most serious situation, as I see it, in connection with this matter. Using the mounted police—

Mr. Smith (Moose Mountain): National security.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: National security, Mr. Speaker! I know my hon. friend was speaking jocularly. After all, it was government security that was the consideration. There is nothing in national security that in any way would have been interfered with in that document. The only security the government could possibly find in danger was its own reputation and its own security. I am glad my hon. friend brought that up because it clarifies the atmosphere—

Mr. Smith (Moose Mountain): Not to me.

Mr. Diefenbaker: —he being in need of information of a dependable character in that connection. As a matter of fact not one iota of national security is being undermined, not a suggestion of it, in any line of that entire report. But, Mr. Speaker, it does reveal in lurid colours, not in lurid words, a government spending without sufficient check billions of dollars and boasting about the surplus they have and the number of extra dollars they take out of every Canadian. They boast about their capacity to tax. What Canadians want them to be able to do is boast of their ability to assure that for every dollar spent there will be a dollar in defence, and not waste and extravagance.

Mr. Ferrie: They can do it, too.

Mr. Diefenbaker: They are doing it, too? I hope the Prime Minister puts my hon. friend on that committee, because he will be an unprejudiced member. Today I think the Prime Minister (Mr. St. Laurent) owed a duty to parliament not to endeavour to conceal, not to raise a smokescreen in order to cover up what the report reveals. What he should have done was come before parliament which, after all, is based upon trust, and apologize to the Canadian people for having permitted conditions like this to exist, and instead of repudiating them when discovered, prosecuting only a few of those small wrongdoers. He should have given the assurance to parliament and the people of Canada that what has happened is past, but that it will not happen again.

There was no such promise, no such undertaking. Instead of such an undertaking there is a motion for the setting up of a committee for the purpose—and I repeat this—of reviewing the findings of the man who, they said with all the power at their command, was a man that they would trust. Trust! And when he made a return they ordered him, they directed him—and this was without the Prime Minister's knowledge—to bring in the findings, the work sheets, to see whether the work he had done would meet with the approval of those whose responsibility it was to see that things like that did not occur. I say the time has come for parliament not to be setting up such committees.

An hon. Member: That is news.

Mr. Diefenbaker: Someone has said to me, "Well, some of your members have asked for committees of parliament." Yes, and I have asked for them in the past. But from the experience I have had, with the exception of the committee on external affairs, and in a lesser degree the committee on radio, as well as one or two others, the conclusions at which they arrived had all the spontaneity that a directed verdict from the government would demand.

That is not what the Canadian people want. Currie spoke as he saw the evidence revealed. He wrote it down in a report, and he made recommendations; but it was suggested that he remove some of those factual things that would shock the sensibilities of the government. When the report is finally produced, and the government finds itself in a position of being indicted, it asks for the setting up of a committee, a jury of its own, to determine whether the judge came to the right conclusion.

Is there that degree of responsibility in an attitude of that kind that you, Mr. Speaker, as the custodian of the conscience of parliament, would expect? If Currie was what he was in March and April last, the epitome of propriety, a man of infinite capacity and integrity, why set up a committee in 1953, eight months later, for the purpose of ascertaining whether or not the conclusions he arrived at were, in fact, the proper ones?

We tried to move an amendment, but we did not succeed. Your Honour found that our amendment was not within the rules. When I heard the Prime Minister close his remarks today by saying that he would vote against having Mr. Currie continue with the investigation, I wondered why.

Mr. Martin: He did not say that.

Mr. Lesage: That is not what he said, and you know it. He said he would vote against the amendment.

Mr. Diefenbaker: That he would vote against the amendment—and I thank my hon. friend for that interruption, because it indicates that he is in favour of Mr. Currie; but is going to vote against giving Canada an opportunity of using Mr. Currie's services to find wrongdoing where it exists, to reveal waste and extravagance wherever it may be found and, above everything else, to do what the Canadian people sent us here to do—to save them money and end this orgy of waste that is going on across the country, so as to assure Canadians a dollar's return for every dollar spent in defence.

Mr. E. T. Applewhaite (Skeena): Mr. Speaker, it would be very difficult for me, a new and inexperienced member, to follow the dramatic oratory of the experienced parliamentarian from Lake Centre (Mr. Diefenbaker). But throughout his speech I noted such a similarity to a speech of the Leader of the Opposition (Mr. Drew), which I intend to quote in a few moments, that I do not think it necessary to pay further attention to what the hon. member said, any more than to point out that at the beginning and at the close of his most dramatic address he drew analogy between the Currie report and a case in court.

Of course no one is better qualified to draw that analogy, because the hon. member has a reputation well known in the courts. Yet he said that referring the Currie report to a committee was like calling in the judge and talking over the case. Well, I think the hon. member in his career has, on more than one occasion, known of cases referred to a court of appeal on some point. I think, sir, that if I had been sitting where he sits and had been making his speech, and he had been over here, he would have folded his arms and said, "Where, oh where, Mr. Speaker, is the principle of the grand old Tory party that parliament is always the final court of appeal?"

We are debating a resolution which asks—

> That a select committee be appointed to continue the examination of all expenditure of public moneys for national defence and all commitments for expenditure for national defence since March 31, 1950, and to report from time to time their observations and opinions thereon, and in particular, what, if any, economies consistent with the execution of the policy decided by the government may be effected therein.

And then the powers of the committee are set out. To this resolution an amendment and a subamendment have been moved, both of which tend either to guide or instruct the committee in the carrying out of that resolution.

I was a member of the committee that sat last year, and I presume the duties of this year's committee will be much the same, namely to investigate all expenditures for national defence. But it will be only natural that some priority will be given to those expenditures which have been made the subject of charges or criticisms against the government.

It is earnestly to be hoped that this year the charges and criticisms which will cause the committee a lot of work may be at least reasonably well founded. Last year I permitted myself to be quite impressed by a speech made by the Leader of the Opposition (Mr. Drew) who, I regret, is not in his seat at the moment. It was a good speech, well delivered. It was impressive and I, not

having the experience then that I have now, was quite impressed. He said, as found at page 1797 of *Hansard* for May 1 last year:

The Petawawa incident is something which does more than merely raise the necessity for charges being laid. It is a great deal more than that. Let us remember that this is not the first time that there have been extensive thefts from camps here in Canada. This is not the first time that there have been warnings to the Department of National Defence that it was necessary that there be careful supervision of the military establishments of this country. There was, for instance—apart from other lootings in other camps—the dramatic episode at Farnham in Quebec where, for all practical purposes, it was discovered in December, 1949, that a whole camp had disappeared. That camp was equipped with plumbing, electrical fixtures, wiring, sinks, showers, refrigerators and all the things that go along with camps . . . That camp disappeared except for a few of the walls and the foundations which could not be conveniently moved. Of more than 100 wooden structures—and very solid wooden structures they were—in that huge camp area, an undisclosed number had been lifted intact from their foundations by a heavy-tracked vehicle and sold for prices ranging from $25 to $50 to farmers and other residents in the eastern townships at that time.

I think perhaps I am to be forgiven for having been quite impressed by that charge, and I decided when I was made a member of the committee that I was going to find out about that one. Eventually we got to it. We did not get to it right at the start but finally we did, and you will find the proceedings with respect to it reported at page 246 of the minutes of proceedings and evidence of last year's committee. The witness before the committee at the time was Mr. E. B. Armstrong, assistant deputy minister for finance, Department of National Defence. I shall have to weary the house with a few of the questions and answers. I was the questioner and Mr. Armstrong was the witness. They are:

Q. What is the total amount of our investment at Farnham when it was an operating camp?

A. The total investment at Farnham was $96,344.40.

Q. And that covered a camp of something over 200 buildings?

A. That covered a camp of something over 200 buildings, plus the services that went into the camp.

Q. And of these 200 buildings, thirty-one were stolen?

A. Of these 200 buildings thirty-one were stolen, yes.

Q. And twenty-six of those stolen were recovered?

A. Twenty-six of the thirty-one were recovered.

Q. The net loss in buildings was five, is that right?

A. That is right.

Q. Were any of the stolen buildings latrines?

A. I beg your pardon?

Q. Were any of the stolen buildings latrines?

A. Nearly all of the buildings at the camp had latrines in them.

Q. When the camp was in use what was the nature of the buildings that were stolen?

A. The missing buildings—I will give you a description of them: there were thirteen large latrines, three small latrines, three shower huts, nine kitchens, one orderly room, one quartermaster's stores, and one storage building.

Q. Were there only thirty-one buildings standing at the time of the theft?

A. Oh, no, sir, all of the buildings were standing at that period. There were 214 buildings.

Q. Then the whole camp had not disappeared?

A. No, sir.

Then at page 247 there are these questions and answers:

Q. I have never seen the camp. The camp was of such a nature that two men could provide adequate day and night coverage in all parts of the camps at all times?

A. The court of inquiry found that there were insufficient security guards to assure 100 per cent security and in order to have the number of guards the court of inquiry considered necessary it would have involved adding fourteen additional guards, which would have cost something in the neighbourhood of $30,000 a year for salaries.

Q. Mr. Chairman, the witness has just told us that to have complete coverage of the camp would have required fourteen additional security guards at an annual cost of approximately $30,000. What was the value of everything you had at Farnham at the time of the thefts?

A. The total value would be approximately $10,000, about one-tenth of the original investment.

Lower down on the same page there are a few more questions. I read:

Q. —Did the court of inquiry or some investigating body make some recommendations in this connection, and if so what was done about it?

A. There was a court of inquiry. Would you like me to read the findings of the court of inquiry?

Q. Yes.

A. First, that engineers stores, buildings and ordnance stores, had been irregularly removed from the camp and that the original cost of such loss was $27,534.92. Secondly, these stores, etc., were removed during the calendar year 1949. Thirdly, two civilian caretakers had been directly implicated in the unlawful disposal of this material. Fourth, that the provost corps and the R.C.M.P. on investigation had located certain quantities of stores and buildings. Fifth, that the net loss after depreciation and recovery of missing material is $3,551.16 and that this represented the net loss to the crown. Sixth, that absolute security would entail the employment of sixteen men at a salary of $1,500 per annum. This would cost $24,000 per year against the then present cost of $3,000.

So, Mr. Speaker, the Farnham bubble burst. The bombshell delivered so forcibly by the Leader of the Opposition (Mr. Drew) in the house turned out to be not even a child's firecracker but a very wet and very defunct squib. Surely that justifies the wording of the editorial in the Ottawa *Citizen* of January 14 in which it is suggested that criticism should "be based on knowledge rather than on gossip and conjecture." If reducing wild statements of this sort to the facts is whitewashing of the government; if reducing the charge that a whole camp has disappeared so there are no buildings left except a few walls,

to the fact that 31 buildings were taken, of which half were privies or latrines, and 183 were left intact; if bringing out the facts with respect to charges of that sort is whitewashing the government, then I am glad to plead guilty.

With respect to the charge that this or apparently any committee would whitewash the government because there would be a Liberal majority on the committee, I wonder if any opposition member who brings that idea forward does so seriously. I would point out to them that the proportion of government to opposition members on the committee as set up last year was far less favourable to the government than was the proportion in the house, and whether we like it or not, whether they like it or not, the proportion in the house is one which was dictated by the electorate of the country. I think they will find that in any parliamentary institution anywhere in Canada, irrespective of the political colour of the government of the day, an effort is made to set up parliamentary committees roughly reflecting the party membership of the house, and in this house if there were not a substantial number of Liberals on every committee I do not know where you would get your committees.

A point which was made in connection with the committee by the hon. member for Nanaimo (Mr. Pearkes), who I regret is not in his seat at the moment, was the complaint that there was difficulty in obtaining information. You will find that he said in his recent speech, as recorded at page 969 of *Hansard*, that the committee had difficulty in obtaining the information it wanted. I should like to refer to an incident in the last committee to see whether or not there is any real justification for that particular complaint. On page 287 of the committee's proceedings—and at this time the hon. member for Nanaimo (Mr. Pearkes) was present—the hon. member for Winnipeg North (Mr. Stewart), who is not a supporter of this government, made this statement after we had visited one of the department's establishments:

Mr. Stewart: I would like to say this: I thought the visit was not as instructive as it might have been for what we were seeing there were principles and principles are very excellent. We have ten principles which are called the Commandments but when they are put into practice they do not always work out the way they should.

What I wanted to see was a lot of detail. I asked one officer down there. "Can I see certain things?" and he said "I am sorry, you will have to ask somebody else; you are on a conducted tour." So, I saw some other person who holds a more responsible position in the system and I said, "Can I be a loose leaf around here?" and he said, "I think you are going to see everything we can present to you and the committee." And all we did see was these principles whereas what I was interested in seeing was how these principles were put into effect, how the record worked, how the stock gibed up with the actual record of stock kept—those were details in which I was particularly interested. I am quite sure none of us have seen them in the time at our disposal yesterday but I got the impression that we only saw what we were expected to see. I may be quite wrong but I do want to see something else.

Then the chairman speaks.

The Chairman: Well, Mr. Stewart, at your convenience anything you want to see will be made available to you.

Mr. Stewart: What I wanted to see was very elementary.

The Chairman: You just say when and it will be arranged for you to go down and ask for whatever you want to see.

Those arrangements were made and on page 313 of the proceedings you will find this—and the member for Greenwood (Mr. Macdonnell) was being active for the Conservative party:

Mr. Macdonnell: Could I interject one thing, Mr. Chairman? Would it be fair to add that while you say it was all unanimous, the report of the steering committee, it was felt that if any individual member here wished to make special arrangements to carry out some further inquiry that could be done.

The Chairman: I indicated that at the last meeting, Mr. Macdonnell, that if anyone wished to do that, facilities would be made available to them.

That brings me to page 337 of the committee's proceedings. I would like to point out that the hon. member for Winnipeg North did go to the trouble of making his own personal investigation; that exactly the same opportunity was offered by the chairman of the committee to representatives of the Conservative party but they, for reasons which they no doubt saw fit, did not take advantage of it. At this time the hon. member for Winnipeg North was speaking and the member for Nanaimo was not present. As a matter of fact, this was the 3rd of June and someone else had been substituted on the committee for the hon. member for Nanaimo. At that time I understand that there was a provincial election going on in British Columbia. The member for Winnipeg North said:

A week ago, Mr. Chairman, I expressed some dissatisfaction with the conducted tour since I wanted to see things that I did not see. I said in committee that I wanted to be foot loose and on my own, but the reporter has me down as saying "Can I be loose leaf around here." If I said that I should be filed away, but I assure the committee that I did not say that. However, Mr. Armstrong made arrangements for me to visit the depot on Friday and I went down there with him and Mr. Kidd and I wish to express my thanks at the moment to Mr. Armstrong and to Colonel Denney, to Major Suttie and Lieutenant Colonel Holliday as well as Mr. Kidd for the help they gave me. What we did was to take an indent at random and trace it all the way through till the stores asked for on the indent were issued out. I saw in detail what I had wanted to see previously, and from what I did see I am quite satisfied that the system down there is as good as human ingenuity can

make it. Of course we have to take into consideration that weaknesses in the human factor will break down any system, but the various checks on individuals should be adequate to prevent any loss. To have complete security would make the cost so enormous that it would far exceed, I think, the losses that are sustained. I am satisfied with the result of my visit and the only comment I wish to make on it is that the next time was have a witness such as Mr. Armstrong coming before the committee and dealing with a subject such as the one we have been dealing with, that it would save a lot of time in committee if we could see the things that we are discussing before we discuss them.

That was not a statement by a supporter of this government. The hon. member for Nanaimo in his recent speech made some statements with which somebody has to take issue, and I have elected myself that individual. Last year the committee sat in April, May and June. The first arrest following the Petawawa incident was, I understand, on May 13. The hon. member for Nanaimo was hardly fair and hardly correct when he stated on page 964 of *Hansard* for January 13, 1953:

It was said that we must not go into the matter of Petawawa camp because the Currie commission was investigating it.

That was all the hon. member for Nanaimo said on the subject. His own leader, whose letter he quoted with approval, wrote, as appears on the same page of *Hansard*:

Members of the opposition who sat on the committee made a determined effort last spring to inquire into the situation at Petawawa. They were denied any opportunity to do so with the explanation that this might prejudice the trials of those already charged with theft and also that Mr. Currie had been appointed to conduct an inquiry . . .

I was at practically every meeting of that committee, and so far as I know everybody agreed that Petawawa was sub judice. Some members of the committee may not have agreed that was sufficient reason for not going there. On the same page of *Hansard*, 964, again I think the hon. gentleman was far from fair to the committee when he said:

There was some question about making inquiries regarding item No. 87 (a) on a list provided for us, which item dealt with aircraft for the R.C.A.F. and the navy. One would think that a defence expenditures committee would be permitted to investigate the expenditure of a sum which at that time was listed at no less than $668,986,840, of which over $100 million was to be spent in that year. But no; the committee must not investigate any spending in connection with such a large sum of money as $668 million odd.

It happens that in that particular instance the hon. member for Calgary East (Mr. Harkness) was the active Conservative on the committee following up the expenditures. I would like to say that the member for Calgary East was extremely careful and extremely fair to the committee and to the department in that he made it clear that no answers to his questions would be expected if they in any way interfered with national security. Why the hon. member for Nanaimo did not see fit to include that in his speech is something for which I cannot account.

Mr. Harkness: May I ask the hon. member a question? Would he not agree that I was never satisfied that the denial of information was justified?

Mr. Applewhaite: I would hardly agree with that because the hon. member's questions were usually so very carefully and politely worded. For instance, at the bottom of page 412 of the committee's proceedings this appears:

Mr. Harkness: I did not ask for the numbers or anything of that nature. All I have asked for was a breakdown of the amounts for the four types and I could not quite see how that could affect the security angle.

Mr. Drury: The breakdown of the four types would enable a reasonable estimate to be made of the size of each—

I still think that the member for Calgary East was extremely fair and reasonable.

Mr. Harkness: But is it not a fact that I never agreed that the information should be denied?

Mr. Applewhaite: The hon. member prefaced most of his questions with security reservations.

It seems to me that this is the first time in my short experience here that the official opposition have not been 100 per cent all-out for a committee. It seems to me that I have sat here and heard them ask for committees on almost every possible facet of the nation's business until the Prime Minister put this resolution on the order paper to appoint this committee. Now we hear a great many criticisms against it, the chief one being that it would be in the nature of a whitewash. We hear from certain quarters—I believe a spokesman for the Social Credit brought this up this afternoon—that a royal commission should be appointed to follow up these matters which would normally be referred to this committee. If the members of this house are going to claim that a committee appointed by this government is going to do a whitewashing job, are those same members not going to make the same complaint about a royal commission appointed by this government with the additional complaint, which I think would have merit, that months and perhaps years of delay would result before any sort of finding could be brought down.

The opposition asks for more information for the committee. I have not been here for very long but I am told by people on more than one side of this house, who have been

here for many years, that more information was supplied to the defence expenditures committee last year than has been supplied to any committee of this house within the memory of these men. I know from personal experience that the volume of typed returns which came in as a result of the questions, and the detailed answers we got from the witnesses, were quite sufficient, had there been no other parliamentary business going on at the time, to keep the members of that committee fully occupied for ten or fourteen hours a day. Those members of the committee who sat there day in and day out, whether or not the subject under investigation was spectacular, will agree with the truth of what I have said.

I should like to refer to a speech made by the hon. member for Vancouver East (Mr. MacInnis) on the radio program "The Nation's Business". I doubt if there is any member in the house who is accorded more general respect than the hon. member for Vancouver East. In this recent broadcast he made, as he always makes, an excellent speech. One may not always agree with everything he says, but you have to admit that he says it well and makes it sound very reasonable. In dealing with the Currie report he stressed the angle that the Currie report indicates a tendency toward a breakdown in security. I believe he has a point there. He pointed out with perfect justification that there are tremendously dangerous implications if in this country our security breaks down. I should like to say to the hon. member for Vancouver East, and to those of his party, that the security of this country is not likely to be enhanced so long as the mentality exists in Canada that the obtaining by any means or the retaining of unauthorized property is a legitimate or natural proceeding.

In the first half of his address the hon. member for Winnipeg North Centre (Mr. Knowles) referred at considerable length to Mr. George Currie's discussions with the department. I am neither a member of that department nor very high in its confidence, so I do not know of what these discussions consisted. Undoubtedly the member for Winnipeg North Centre felt that such discussions should not have been held. I suppose the majority of the members of this house are or have been at some time the heads of some sort of organization, perhaps a law office with three or four employees or perhaps a large factory with 300 or 400 employees. I suggest that if any of them suspected that there was pilfering or a leak of some kind in their organization, they would call in a chartered accountant to investigate the matter. This chartered accountant would be working for them to find out the answers to the problems that were troubling them.

Are you going to tell me that one of these employers would not have the right to discuss his own problems with the auditor who was called in to assist him in solving those problems? Unless I have this thing all wrong, Mr. Speaker, the impression seems to be held by a great many people that the Currie investigation was a secret investigation of the Minister of National Defence (Mr. Claxton) for this house. According to the way I look at it, it was an investigation for the Minister of National Defence. The minister asked for an investigation of his own organization. It seems to me that that auditor and the minister personally could conceivably and justifiably have gotten together every few days as the investigation went along, to find out how the thing was going along and to see if either could give any assistance or information to the other. Why not?

There is another aspect of the Currie report which I should like to mention briefly. May I ask you to call it six o'clock, Mr. Speaker?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Applewhaite: Mr. Speaker, in replying to the comprehensive outline given by the Minister of National Defence (Mr. Claxton), in which he quite frankly pointed out the shortage of manpower available when we were hit by the Korean conflict, the hon. member for Nanaimo (Mr. Pearkes) stated that the shortage of forces of any kind was due to this government's policy in approximately 1946 and 1947.

To that statement I do not think anybody can take any exception. But had this country been asked by this government in 1946 or 1947 to maintain a standing army—which is what it would have been—the size of that which we now have, I wonder what we would have heard from the opposition, and what criticisms we would have had as to adopting a military attitude, as to wasting the public funds, and so on and so forth, at a time when, let me remind you, the whole world was war-sick and peace-minded, and when disarmament was practically the keynote of the policies of all the democracies.

Oh, yes, they may say, but what about Russia? This is a fine example of one particular attribute which the opposition has in

unlimited quantities, namely a comprehensive hindsight. Mr. Churchill, Mr. Truman nor any of the other great leaders of that day in the world were able to foresee the situation in which we find ourselves today. However, the hon. member for Nanaimo does not always make statements with which I disagree. In the course of his speech, as reported at page 961 of *Hansard*, he said:

> It is for the government to defend itself and to explain how it has taken care of the $2 billion of the taxpayers' money which this department has been called upon to expend in the cause of national defence.

With that statement I entirely agree. It is for this government to account for those expenditures, and that is exactly what this committee is being set up for. As to the hon. member's criticism of the make-up of the committee, I had already dealt with that matter before the supper recess. But if he is against such a committee, if he is against this government making its defence before a committee appointed by this parliament, where are all these Conservative claims for the supremacy of parliament? Where have they gone? The hon. gentleman's real complaint is not the appointment of this committee. His real complaint is the verdict which was rendered by the electorate in 1949, as a result of which we find ourselves with the set-up we have today. He admitted that plaintively and I quote his own words as reported at page 964 of *Hansard*:

> Therefore if the representatives of the Conservatives and the other groups all voted together they were only able to marshal nine votes against the seventeen of the supporters of the government on the committee.

It is perhaps tragic from the hon. member's point of view, but that is the situation; and it would be a much more exaggerated situation were the defence to be made in detail in this house instead of in a committee appointed by this house.

The hon. gentleman suggests that what is needed now is not more committees but action on the report. In that connection he read into the record a letter written by his own leader which stated in part:

> You said that the Currie report would be submitted to the committee on defence expenditures. One of my reasons for writing this letter is to point out that this procedure is neither necessary nor desirable.

And further on:

> We need no inquiry into the report of another inquiry. We need action on the report now before us. It makes positive recommendations.

For once the official opposition does not want action by a committee, for the first time in its history. It says it wants action on the report. It has got it. The minister has already outlined that. It has got action on most of the recommendations, most of which were implemented before they were even made. The hon. member for Nanaimo complains because the department is, to use his own words, "resentful of criticism". As reported at page 964 of *Hansard* he said:

> This department is following the pattern set up by the government. It is resentful of any criticism which may be offered of it.

The hon. member for Winnipeg North Centre (Mr. Knowles) seems to agree. It seems to me that these opposition members are resentful of any effort to straighten out the record in the face of the wild charges which have been made by some of the opposition members. They also appear to me to be resentful of anyone's defending himself against any charge which they may see fit to make.

If I may, I should like to turn my attention for a moment to the hon. member for Winnipeg North Centre, who is in his seat and who—it should be said, to be fair—is always in his seat except when he is on his feet. The hon. member for Winnipeg North Centre, who has been the one all through this incident to take the lead in bringing before the house the mysterious unauthorized copy of the Currie report, seems to me to have adopted the attitude of the young man who tosses a coin in the air and confidently expects it to come down both heads and tails. As reported at page 972 of *Hansard*, he stated:

> The report that came into the possession of my leader was not covered by any official secrets act. It was not a government document.

He said on page 968:

> Between the first draft and the second draft changes were made.

He complained earlier, on page 655:

> I have since had an opportunity, which I had not had at the time I asked my question this morning, to compare some of the pages in the printed report which was tabled this morning with the same pages in another printed copy of the report which has been in our possession for a few days.

Either it is or it is not a report which was the property of the Department of National Defence. How can they justify their criticism of the supposed changes in the report if it was not a government report; and how can they object to, shall we say, conjecture from this side of the house as to how it came into their possession; if it was a copy of a confidential report which was then to be, but had not yet been submitted to the minister, is not there some justification perhaps for our feelings of criticism?

I hope this committee, as the resolution says, continues with its investigation. Even the hon. member for Nanaimo (Mr. Pearkes)

admitted in the beginning of his remarks that last year the committee did accomplish some beneficial results. It can accomplish a lot more. It can accomplish those results only after it has been set up and has been put to work. I should like to see that done at the earliest possible moment, and I would express the hope that when it has been constituted the Liberal members appointed thereto will be looking for facts and not for headlines.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, the tabling of the Currie report in this House of Commons on December 15 was a major event in current Canadian political history; and whatever has been said since, as this issue has moved from one climax to another, will never subtract one iota from the importance of that event.

I wish to go back, however, to events that occurred in the week prior to the tabling of the report in this house. This story was unfolded to us by the Prime Minister (Mr. St. Laurent) in the statement he made several weeks ago. The Minister of National Defence (Mr. Claxton) was absent on duty in Paris, and the report came into the hands of the Acting Minister of National Defence, the Solicitor General (Mr. Campney), we were told, on December 9, as he was departing for Toronto, catching a train. Now, it is interesting to follow up this important mission upon which the Solicitor General was embarking at the time this report was placed in his possession. Was it an event of great national importance that took him away from the capital at the moment this report was placed in his hands as Acting Minister of National Defence? Actually the mission the Solicitor General was embarking on as he took his train for Toronto on that occasion was to address a certain Liberal group which met the following day, and in the course of his address to that political group—

Mr. Campney: What is wrong with that?

Mr. Fleming: There is this wrong with it: The tabling of this report in the house was delayed at least a couple of days by reason of the fact that the minister concerned was more involved at the moment in fulfilling some partisan engagement than he was in attending to the nation's business; that is all.

Now, what did the minister have to say on this occasion in addressing this particular meeting?

Mr. Campney: May I just say that I stated very clearly that the reason the tabling of the report was delayed was in order that it might first be put in the hands of the Prime Minister, and of the Minister of National Defence. The event to which my hon. friend refers had nothing to do with it.

[Mr. Applewhaite.]

Mr. Fleming: The only thing that is wrong with the hon. gentleman's reply is that it does not jibe with the record as we have been told of the events. But let me go on to what was said on the important mission that took the minister away, when there was no time to consider the Currie report. He is reported in the Toronto *Daily Star* of Tuesday, December 9, as having said to those he was addressing:

> But let us, above all, tell the people of this country what we have done.

Further down in the article he speaks of "Canada's fine contribution to collective defence, and the complete freedom from graft or scandal in the national government."

Some hon. Members: Hear, hear.

Mr. Fleming: And, Mr. Speaker, the minister had in his possession at that time the Currie report which exposed the greatest national scandal in this country since the Beauharnois scandal was exposed by Mr. Bennett twenty years ago. Here we have a typical example of Liberal propaganda, the minister leaving this report behind in Ottawa and apparently not having time to read it, and making a statement which is so completely contradicted by the facts that were then available.

Now, sir, it is no wonder that there is so much confusion on the part of hon. members to your right, Mr. Speaker, in connection with this whole matter, because there has been hopeless confusion in the government's approach to it ever since the Currie report was tabled in this house. A variety of contradictions and confusion on their part is nothing new. We who sit in this house see it opposite continually, but on this occasion it was perhaps a little more marked because variety apparently was unlimited.

The first approach by the government members of this house was reflected in a speech made on December 16 by the hon. member for Northumberland, Ont. (Mr. Robertson), who apparently went out of his way to seek to put the blame on the "top brass". Then you remember that the Leader of the Opposition (Mr. Drew) spoke in the house on the same day. He was met by a chorus of interruptions by hon. members opposite, who sometimes find that about the only way they have to participate in proceedings, in which they kept shouting about the "top brass". That apparently was the way the matter stood at that time. The idea, the strategy of the government—at least of its followers—at that time was to place responsibility on those who are called the top brass.

Then you remember, Mr. Speaker, how significant it was that in the discussion of a matter of such vital national importance the Prime Minister remained silent. There was plenty of opportunity for him to participate but when it came to putting up a minister on Wednesday evening, December 17, to make the first statement on behalf of the government, in the absence of the Minister of National Defence, who was it that should have made that statement? I submit to you, sir, the statement should have been made by the Prime Minister. The Prime Minister did not make the statement. He put up instead the junior member of the cabinet—

Mr. St. Laurent: When you are Prime Minister you will decide what minister should speak.

Mr. Fleming: —a man who had no responsibility for events that are referred to in the report. He was not a member of the cabinet at that time. He had been a member of the cabinet for only a few days. I do not think it was fair to the Solicitor General to put him in that position at that time. It was, in my submission, the responsibility of the Prime Minister; but that responsibility was not discharged.

The next stage, Mr. Speaker, was the statement made by the Solicitor General on the evening of December 17, and it was very interesting. What was his approach to the question? It became obvious at once, because the minister had not gone any more than a matter of several minutes before he struck the key note, and it was this: The whole matter of the Currie report was, as he put it, "a relatively small matter". Further on in his remarks he said: "in the aggregate it is not of very great magnitude". Further on he complained about the exaggeration of the opposition, although everything we had said had been drawn directly from the text of the report.

Therefore, Mr. Speaker, we had an opportunity of gauging the government's approach at that stage. The attempt at that point was to play down the report, to minimize it, to make it appear that after all it was a trifling matter, and it was nothing for anybody in the country or in parliament to get very much excited about.

Well, it was not to be expected that the Minister of Trade and Commerce (Mr. Howe) would be silent very long, and he turned up at Kingston the following Saturday night and made a statement there. It is reported in the Toronto *Daily Star* of December 20—

Mr. MacDougall: That is all old stuff.

Mr. Fleming: I think it is high time the hon. member had his memory refreshed on some of these things. I know he does not like being reminded of some of these silly statements the ministers are making as they flit around the country, but he is going to hear one or two more if he stays in the house. Here is what the Minister of Trade and Commerce (Mr. Howe) said about the Currie report:

> But I also think Mr. Currie, as a professional man, was rather extravagant with some of his statements, when all he was supposed to do was report on facts and suggest improvements.

Apparently Mr. Currie, in the view of the strong man of the cabinet, has committed the cardinal offence of going outside what he was supposed to do. Apparently in passing some words of judgment, for which the Canadian people ought to be grateful to Mr. Currie, he did something he was not supposed to do; and therefore he has come under the censure of the Minister of Trade and Commerce.

Then, of course, come the things which occurred during the Christmas recess. The Minister of Fisheries (Mr. Sinclair), out at the coast, referred to the report as "threshing old straw". The Solicitor General (Mr. Campney), becoming vocal again, talked about exaggeration, and said that the report would "not cut much ice". I think every hon. member will find out that if the report does not cut much ice, it will at least fan the fires of indignation on the part of the Canadian people against this government for its hopeless inefficiency.

Now the Solicitor General has again become vocal, and on this occasion in Toronto. He is reported in the morning press of that city as having said last night in a speech to the Davenport Liberal association:

> The Currie report has ballooned out of all proportion to its importance.

And then he said further:

> In a business as big as defence is today, there would always be untrustworthy people. They are no more numerous at Petawawa than in any other large business.

And then this significant statement appears:

> The Currie report, said Mr. Campney, is an exposure of normal thieving.

Some hon. Members: Oh, oh.

Mr. Fleming: And then:

> "Nobody is pleased about thieving, but you can't stop people from stealing".

So we have it summed up that what went on at Petawawa was merely normal thieving; and apparently it became normal because it took place under a government which has proven itself so hopelessly inefficient in stopping it. That is the measure of the normalcy.

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

Mr. Fleming: I would ask the hon. member to reserve his question until later.

Then we had the statement of the Prime Minister (Mr. St. Laurent) today. At last the Prime Minister was drawn into this debate—at last. With every indication of reluctance he was drawn into it. He said if it had not been for some statements made by the hon. member for Winnipeg North Centre (Mr. Knowles) he would not have participated in this debate. Well, why not? Is this debate so relatively unimportant that the Prime Minister thinks it is beneath him to participate in it? I say this: More power to the hon. member for Winnipeg North Centre if he was responsible for, shall we say, drawing or luring the Prime Minister into this debate. And I suppose, Mr. Speaker, that reluctance on the part of the Prime Minister is all part of the government's tactics to play down this report and picture it as something very unimportant, something to be minimized.

There are two major issues which have emerged in the discussions of the Currie report, both of which, in my submission, are of the highest importance to the Canadian parliament. The first has to do with the importance of the report, and the second has to do with responsibility.

As to the importance of the report, the confusion of the government was climaxed when the Minister of National Defence (Mr. Claxton) used these words here two days ago in reference to the report: "this important document". At long last we have a minister who says this document is important. This is the report that other members of the government, including the Acting Minister of National Defence, were saying was a relatively unimportant matter. Now finally, the Minister of National Defence has corrected the minister who was acting in his absence, and who had referred to the contents of the report as a relatively small matter.

Again, the Minister of National Defence said, and very properly, in his speech in the house two days ago that he did not want anybody to consider that he thought what has happened at Petawawa was not serious. Well, that may be a guarded admission; but at any rate we have a minister who seems to say it is serious, and who makes the statement that this Currie report is an important document—and this in the face of statements directly to the contrary by other ministers. In the second place there is an admission on the part of the minister that what happened at Petawawa is serious—and this after other ministers have been saying that it is a matter of no great magnitude.

That admission by the Minister of National Defence, sir, really was not necessary, because the country well knows how important this matter is. The country has attached a great deal of importance to the Currie report and the shocking scandals which have been exposed by it. And I say that no amount of denial or propaganda or gainsaying or cajolery on the part of ministers or government followers will ever minimize the importance of this report. It has, indeed, revealed the worst scandal in the affairs of government since the Beauharnois scandal was exposed twenty years ago. Make no mistake about it, it has shocked the Canadian people. It has shocked the Canadian conscience.

The other important subject, I said, was that of responsibility. And so I go back to a statement made by the Prime Minister when he spoke in the debate on the address in reply on November 24 when, making reference to the subject of fires and thefts and extravagance in the Department of National Defence, he had this to say:

> Much is made of the few regrettable incidents having to do with thefts which have occurred in camps, having to do with fires which have broken out in camps, and incidents of that nature. These are deplorable; but has anyone tried to hold the presidents of the banks responsible because the Boyd gang broke into and robbed the banks? Has anyone attempted to hold a high official of the Bank of Nova Scotia responsible because there is a report that that bank was successfully defrauded of the sum of $250,000 recently?

Mr. Speaker, that of course was uttered before the Currie report had been handed to the government. But it was uttered with reference to a directly comparable matter; and the Prime Minister was taking great care, in public, to wash his hands of personal responsibility, or of governmental responsibility, for anything in the nature of fire, thefts and extravagance within the Department of National Defence.

That has been the tone set throughout the debate; at least it was until two days ago. There has been a denial of responsibility by the Prime Minister, a denial of governmental responsibility, notwithstanding that the institution in which we are meeting this day owes its existence and its dignity to the fact that parliament looks to the government collectively to be responsible for what happens in departments of government entrusted to the charge of ministers.

Well, the Minister of National Defence very properly in his speech two days ago said that he took full responsibility for what happened in his department. That is the

first time any minister or government spokesman has said such a thing since the Currie report was tabled. Other statements have been directed toward a denial of government responsibility.

And, sir, now that the minister has accepted responsibility, under the principle of collective responsibility the whole cabinet bears the responsibility for what has happened. In retaining the minister, the government shares full responsibility with him, and in equal measure. And let me say this to the Liberal majority in the house, that in now retaining in office a government which shares full responsibility for what has happened, that Liberal majority in the house now shares the responsibility of the government for permitting it to continue in office.

The speech made by the Minister of National Defence two days ago was an interesting if not too impressive attempt to explain away the report, its recommendations, its criticisms and its exposures. It was no light paintbrush that he applied. Had one not known the background, and been a complete stranger to the issue before coming into the house, one would have had the feeling that he should have cheered the minister and expressed gratitude to him that things were not very much worse than they were.

An hon. Member: That's for sure.

Mr. Fleming: I can tell hon. members opposite that the attempts that have been made by ministers and government supporters in this debate this week to deliver attacks on the Currie report—and not always frontal attacks, but rather stealthy attacks—are not going to have the effect of discrediting either Mr. Currie or the report he has written, and in the writing of which he has performed a service to the Canadian people of the highest magnitude. Yes, any attempt to wash the horses out of the report will only call to mind the fact that that, as we have been told now by the Minister of National Defence, was one of the matters the deputy minister of national defence took up with Mr. Currie and invited him, before his report was submitted to the government, to eliminate from the report. Mr. Currie stood by his statement that horses were placed on the payroll under the names of non-existent labourers.

An hon. Member: Horselaughs.

Mr. Fleming: Mr. Currie stands by that, and I think we will want more than statements obtained by the government from a convict now serving a penitentiary term to convince us that Mr. Currie was wrong in the statements he made and by which he stuck.

Mr. Fraser: Now the government is stuck.

An hon. Member: You are stuck right now.

Mr. Fleming: It will not serve, either, Mr. Speaker, to reduce the long list of reprehensible and scandalous practices that are revealed in the report, quite apart from horses entirely. The shortcomings of the Department of National Defence, as exposed in the report, are summed up by Mr. Currie in the expressions, and I am quoting his own language: "general breakdown in the system of administration", "lax control, poor discipline and presence of dishonest personnel. The combination proved disastrous"; "a fundamentally loose situation", "the accounting records were in a chaotic condition", "a serious collapse in security". Are these the matters which the government now invites us and the Canadian people to gloss over and consider to be of little or no importance?

No, Mr. Speaker, it will take a great deal more to satisfy the conscience of the Canadian people, in the face of these exposures by an eminently capable investigator, than the kind of statements we have been hearing from the ministers. Let it not be forgotten, sir, that warnings were plentiful. This whole investigation was started, if you please, as the outcome of the receipt of an anonymous letter, but Mr. Currie has been at pains to point out that previous warnings had been numerous. He had this to say, as found at page 712 of *Hansard*:

> —it must be said that internal warnings had not been lacking in the Department of National Defence. The chief auditor of the department had performed his functions conscientiously. Time and again he had reported unsatisfactory conditions. This is clear from Appendix "B" which summarizes his findings over a period of years. The deputy minister in each case had directed the quartermaster general to investigate and report. Lack of adequate action at this point had, however, caused a progressive deterioration in the situation. Aside from reports being delayed for considerable periods of time, the record shows the next audit revealing conditions similar to those previously reported and, in some cases, worse. The process is then again repeated.

What did the deputy minister of national defence do when what he had done in calling these reports of the chief auditor to the attention of the quartermaster general had been ignored? Apparently he did nothing further. What did the minister at the head of that department do? Well, sir, it remains yet to be told to the house whether the minister was aware of these reports of the chief auditor of his department. I hope the minister will tell the house some time before this debate concludes whether he was aware of the reports of the chief auditor of the department to which reference is made in

the paragraph I have just read. If he was not aware of these reports being currently received, then why did he not know? Why, as the responsible head of the department, did he not make it his business to be acquainted with important reports submitted by the chief auditor of the department? If he did know, then why did he not direct that action be taken promptly?

We are hearing now about government willingness to take action promptly when a situation arises. What about these precious months—yes, years—that have gone by when no action whatever was taken? Hon. members will not have forgotten that in the defence expenditure committee last year reference was made, as appears at page 173 of the proceedings, to reports that were being sent in to the department running back, if you please, to June 2, 1949. There were about a dozen of these reports. Was the minister aware of them? If he was not aware of them why was he not? If he was aware of them, why was action not taken to deal with the scandalous conditions they exposed?

Then there is the question of extent. The Solicitor General (Mr. Campney) went to great pains to play down the matter as one of not very great importance in the aggregate. That is not what Mr. Currie says. Mr. Currie puts a very different complexion upon the facts. As found at page 714 of *Hansard*, he says, after referring to the catalogue or enumeration of some of these scandals and irregularities:

> These, then, represent the ascertained cases of irregularity at Petawawa. How many more there may have been will never be known. It was apparent from the beginning of the investigation that the accounting records were in a chaotic condition and would be of little use in determining the nature and extent of irregularities. It is impractical and perhaps impossible, regardless of the time which might be spent on examining records, to try and determine by this means the amount and value of the deficiencies.

He did not stop there, because in the following column he went on to say:

> My view would be, however, that the generally lax administrative situation would give rise to waste and inefficiency far more costly in loss than that covered by actual dishonesty.

When the Solicitor General flits about the country making political speeches before partisan audiences and says that it is a small matter in the aggregate, involving not more than $50,000, I confront him with the statement of Mr. Currie that the loss cannot be measured and in any event, even if the loss could be ascertained, it will never begin to compare in cost to the country with the greater loss through waste and inefficiency.

Let us not forget that in his report Mr. Currie put the responsibility where it belongs, at the higher levels, and if he did not carry the words "at or near the top" into the final edition of the report at any rate it is quite obvious from the first edition of the report that Mr. Currie had none other in mind than the responsible head of the department, and perhaps the deputy along with him.

These facts are inescapable. But we now have additional disclosures, Mr. Speaker, since the report of the Auditor General was tabled in the house three days ago. If hon. members will take the trouble to refer to page 24 they will find that esteemed gentleman draws attention to parallel situations existing within the Department of National Defence. He points out that there are at least eight accounting systems, indicating that no sustained effort has been made to achieve uniformity in systems within the services. He catalogues a long list of problems that arise as a consequence of this diversity of accounting systems. He says there is no civilian authority answerable to parliament exercising direct control after procurement and, further on, that general efficiency is not maintained. He draws attention to some specific cases, one of which is where a brigadier received pay for a civilian position in the department for which there had been no competition, while still drawing army pay.

He also draws attention to such a case as we find in item 67, where the department authorized the purchase of a house for an area commandant for $14,000 and authorized expenditures on it of $800. Apparently these limits of authority do not mean very much in a department which is run so loosely, because we find that—

> —renovation costs approximated $15,000, and these outlays were made without the consent of the deputy minister being obtained to spend in excess of $800. The result is that the house now represents an outlay of around $29,000, exclusive of materials drawn from army stores.

There, Mr. Speaker, you have proof abundant of the utter looseness of control in this department and the way in which the hard-earned money of the Canadian taxpayer is being thrown around.

An hon. Member: Who was the brigadier?

Mr. Fleming: Now, sir, I turn to the subject of the course of the debate in this house, because I have to submit to you, sir, that the house has been grossly imposed upon in the course of the debate. There have been—

An hon. Member: Who was the brigadier?

An hon. Member: We fired him.

Some hon. Members: Order.

Mr. Fleming: These raucous interruptions sound less like human interruptions than the neighing of many horses.

Some hon. Members: Whoa!

Mr. Fleming: It is not unusual at all, Mr. Speaker, for discrepancies to exist, but here we find discrepancies as between the statements of the Prime Minister (Mr. St. Laurent) and the Minister of National Defence (Mr. Claxton). The Minister of National Defence was at great pains in his speech of two days ago to stress the fact that there was no interim report. If you will look back to what was said in this house on December 4, you will recall that the minister was invited by the Leader of the Opposition (Mr. Drew), at page 321, to say whether he had—

—received any positive recommendations from Mr. Currie in regard to the subject matter of his inquiry, in writing or orally, and if so is the minister prepared to convey to the house some information as to the nature of the recommendations which have been made?

The Minister of National Defence on that occasion said in reply that he had seen Mr. Currie on one occasion only. That was when he was in the department, and that he had had no other communication of whatever kind with him.

Well, Mr. Speaker, it may be that the minister had not received any formal communication from Mr. Currie, but Mr. Currie has made it abundantly clear in his report that he made a number of interim suggestions. He says:

It should be noted that interim suggestions made by me during my investigations have been already seized on, and important reforms are already being carried out.

Now, Mr. Currie obviously was making recommendations and those recommendations were being carried out in the department. They involved changes in the department. Was the Minister of National Defence so unaware of what was going on in the department that he knew nothing about these recommendations, that he knew nothing about the steps being carried out in the department to give effect to the recommendations? If that was all he knew about what was going on in the department, the minister can be deserving only of censure on the part of the house.

Some hon. Members: Hear, hear.

Mr. Fleming: Then, sir, is it not only right and proper that this House of Commons should be entitled to frankness and candour on the part of the minister; that there should not have been any cavilling when there were questions asked about interim recommendations in communications either oral or written? It is obvious that there were no written communications, but what about all these oral communications? The Leader of the Opposition was not just asking about things Mr. Currie may have said to some officer down the line, he was asking about recommendations that had gone into the department, and the minister indicated that he knew nothing about them and took it upon himself to say that he had received no such communications.

Then, sir, let us remember this, and the hon. member for Winnipeg North Centre (Mr. Knowles) drew attention to this matter this afternoon. When the Prime Minister was asked about this matter in the house on December 17 he certainly gave the house the impression that the idea of having the draft report submitted to the department before the report was finally signed and submitted originated with Mr. Currie. You cannot read the statement of the Prime Minister in any other way. He said at page 827 of *Hansard* of December 17:

The inquiries also disclosed that Mr. Currie and his representatives discussed this matter with the deputy minister and that the suggestion was made that the deputy minister might go over the draft, when it was ready, and point out any inaccuracies in the facts reported which had been obtained from the department itself.

Then at page 829 he was asked if it was general practice to refer draft reports to the department in such instances. The Prime Minister expressed disapproval and said:

I have never been an investigator. I was quite surprised to learn that this investigator had felt that it was the proper thing to be done.

Yet, sir, we learn now with the tabling of the correspondence in this house two days ago that it is established beyond all question that the suggestion that that draft report should be submitted to the department emanated not from Mr. Currie but from the department. And it goes further, sir. The idea did not originate with the deputy minister; it originated with the minister himself, on his own admission in this house two days ago. He instructed the deputy minister to communicate with Mr. Currie and Mr. Currie expressed, as we can see by the correspondence, opposition to submitting the draft report, indicating that he had no intention of submitting the draft report for "vetting" in the department. Yet, apparently, pressure was continued and Mr. Currie permitted one of his officials to come up here and discuss the draft report with the deputy minister. Following that changes appear in the report, and the changes are not confined to factual matters. The changes in some cases extend to and include observations of a critical nature.

Now, sir, that leads me to make this observation, that the Prime Minister owes an apology to this house. The house was misled by the words the Prime Minister used on December 17 into thinking that this idea originated not with the deputy minister but

with Mr. Currie. The remark was made this afternoon that the Prime Minister owes an apology to Mr. Currie. I say that he does, but I also say that he owes an apology to this house and the Canadian people.

Sir, the government is trying so hard, in the face of this embarrassment, to find a scapegoat, to find a red herring, to find a way out; and that unquestionably has a good deal to do with the attempt to make capital, as they are attempting, out of the way in which knowledge came to the now absent hon. member for Rosetown-Biggar (Mr. Coldwell) and how that draft report came into his hands.

An hon. Member: Which side are you on?

Mr. Fleming: Mr. Speaker—

An hon. Member: It was stolen.

Mr. Fleming: An hon. member says it was stolen. Well, Mr. Speaker, if he has that information I suggest it is his duty to give it to the government.

Some hon. Members: Hear, hear.

Mr. Fleming: Perhaps the Minister of Justice (Mr. Garson) will take note of the information that the hon. member indicated he possesses and will, in keeping with the tactics he is practising at the expense of the hon. member for Rosetown-Biggar, send a letter to the hon. gentleman as he did to the hon. member for Rosetown-Biggar, threatening him—very subtly perhaps, but threatening him nonetheless—if he does not give the information to the R.C.M.P., who have been given the distasteful and improper task of conducting this investigation, ignoring the proper law enforcement channels in this country.

Well, sir, I think the whole matter is clearly summed up in the words Sir Archibald Sinclair used in that important, and memorable debate in the British House of Commons on June 30, 1938, when dealing with the Sandys case, a directly comparable situation, he had this to say:

> Governments are too apt to confuse danger to themselves with danger to the state.

Here we have a situation where a government, obsessed with its own love of power, having had power far too long for its own good is saying, in effect, that obviously this situation is not good for us and therefore it cannot be good for the state. The Canadian people are not going to be misled by sophistry of that kind. The independence of this parliament means a great deal more to the Canadian people than to be frittered away by the methods the government is practising at the present time.

I wish to add this, sir. If complaints are made in this house about statements being made by the chief of the general staff, they are not to be answered in the way the Prime Minister this afternoon sought to answer them. The Prime Minister ought to know, he has been in public life long enough to know, that the chief of the general staff is not precluded from voicing his opinion on matters of this kind, but there is a way to do it. The chief of the general staff or any other person, whether in the armed services or in the civilian service of the government, has a method of complaint open to him, namely to go to the minister at the head of the department. He is the man who makes the statement. The proper course of the chief of the general staff was to give his complaint to the minister, and let the minister make it. That was the proper constitutional course. Any interference with or departure from that course will be fraught with very grave dangers to the whole principle of the supremacy of the civil authority.

I add this, sir, about the way in which the government spokesmen, even the Prime Minister this afternoon, are trying to make it appear that what is involved here is an attack on the army. That is not going to impress anybody. What is involved here is not an attack on the army; it is a criticism of the Department of National Defence and the way it is being run from the top. It has been made clear times without number, it is made clear in Mr. Currie's report, that the army is not to blame. He gives credit to the army for the fact that in the face of the looseness which has prevailed throughout that Department of National Defence, the irregularities were not more grave than they were. Everyone who has spoken in this debate in this house dealing with these exposures has been at pains to point out that the army comes out of this matter with a clean bill of health, but not the Department of National Defence and not the minister.

That is the issue, and that issue is not going to be obscured by any attempt to draw red herrings across it, because it is perfectly clear in what is being done that the government has encouraged and abetted the chief of the general staff to depart from the proper constitutional course. The chief of the general staff is quite entitled to entertain his opinions and to communicate those opinions; but the proper constitutional course is that he should communicate those opinions to the head of his department.

I am going to conclude by saying this, sir. Apparently the government is now trying to drag the matter out by proposing that the committee on defence expenditures, when it is set up, should investigate the investigator or investigate his investigation. Well, that is

quite unnecessary, sir. It would do them much more good if they were to get on with the job of cleaning up the mess which Mr. Currie has exposed.

I have nothing but the strongest words of condemnation for the adroit manoeuvre of this government in introducing an amendment to this resolution to set up a defence expenditures committee. The very idea! The Prime Minister introduces a resolution and another minister of the government gets up and moves an amendment to it. Sir, it was a monstrous and devious device to prevent other amendments from being introduced—

Some hon. Members: Order, order.

Mr. Fleming: —by members of the opposition. The responsibility for—

Some hon. Members: Order, order.

Mr. Fleming: —preventing Mr. Currie from carrying on and completing an investigation of this department, of which after all he has investigated only one small segment, one branch of the corps of engineers, will rest with the government. If they step in and prevent Mr. Currie from being instructed to do the thing we have urged that Mr. Currie should be instructed to do, the responsibility will rest with the government and those who support them, in denying to the Canadian people the investigation of conditions in this Department of National Defence which ought to be thoroughly investigated.

Mr. MacDougall: Will the hon. member permit a question?

Some hon. Members: Whoa, whoa.

Mr. Speaker: Order.

Some hon. Members: Whoa, whoa.

Mr. Speaker: Order. Will hon. members kindly resume their seats. Do I understand that the hon. member for Vancouver-Burrard (Mr. MacDougall) wants to ask a question?

Mr. MacDougall: The hon. member who has just spoken said he would permit questions.

Mr. Fleming: Certainly.

Mr. MacDougall: May I ask the hon. member if he was ever in the army?

Mr. Fleming: Yes, I was in the reserve army. I suppose, Mr. Speaker, the idea is to cast some reflection on an hon. member. I think, in view of the matter being—

Mr. MacDougall: You have answered the question. Sit down.

Mr. Harkness: Was the Prime Minister in the army?

Mr. Fleming: I do not know whether the hon. member—I would not have thought it of him—had anything back of that question. If he did, and it is a matter of interest to any member, I would be glad to discuss the matter at any time, here or privately, with him. The matter is quite open for me to discuss, and I shall be happy to discuss it with him.

Mr. Speaker: The hon. member asked a question—

Mr. MacDougall: I should like to ask a supplementary question.

Mr. Fleming: I shall be glad to answer the hon. gentleman's question, Mr. Speaker.

Mr. Speaker: The hon. member's time has expired, and the question can only be asked with the unanimous consent of the house. The hon. member for Mackenzie.

Mr. G. M. Ferrie (Mackenzie): Mr. Speaker, I believe that not long ago you heard a burst, such as we have just heard, in connection with the case of Brigadier Connelly. I am sure we understand what has happened since. I should like to bring to the attention of this house—

Some hon. Members: Whoa, whoa.

Mr. Ferrie: Some of you cannot ride a horse, but you might holler. The Minister of National Defence has rendered a service to this country of which all of us are proud. During the last few days he has been strongly criticized in this house, but I want to congratulate him upon what he has done since 1951 in cleaning up what happened at Petawawa. Even the Currie report does not say anything about irregularities in other parts of the country.

Mr. Harkness: What? It does.

Mr. Ferrie: He does not say anything about irregularities in other parts of the country.

Mr. Harkness: There are 158 of them.

Mr. Ferrie: He puts it all in Petawawa.

An hon. Member: He speaks of a general breakdown of administration.

Mr. Harkness: You should learn to read.

Mr. Ferrie: That is all right. So should you. Mr. Speaker, you can see just exactly where these gentlemen are going. What are they trying to do? Let us go back a few months, and what do we find? We find that these gentlemen to our left were doing just exactly the same thing as they are doing now in connection with something that was going on in the province of Saskatchewan. They were blasting another minister.

Some hon. Members: Oh, oh.

Mr. Ferrie: Yes, they were even blasting the Minister of Agriculture (Mr. Gardiner).

Some hon. Members: Oh, no.

An hon. Member: Shame.

Mr. Ferrie: What happened? They went into committee, and what happened in the committee?

Mr. Diefenbaker: Whitewash.

Mr. Ferrie: Mr. Speaker, there was the same cry: the committee was going to whitewash; it was going to be bridled; it was going to be everything, and we were all going to ruin.

An hon. Member: They hogtied the committee.

Mr. Ferrie: It is too bad they did not hogtie you.

Mr. Speaker: Order. There are far too many interruptions.

Mr. Ferrie: The same thing applies with regard to the hon. gentlemen who went after the committee last year. Now we have the same thing going on this year. They are taking up the time of the house trying to put a blanket—

An hon. Member: A horse blanket?

Mr. Ferrie: They are trying to put a blanket over the whole issue.

An hon. Member: Just keep going.

Mr. Speaker: Order. Some hon. member has said, "Just keep going". May I ask those who are interrupting not to keep on.

Mr. Ferrie: There are no brains behind it, Mr. Speaker. I want to say that the minister has done a really good job.

An hon. Member: Of what?

Mr. Ferrie: Now I am going to say something—

An hon. Member: Good.

Mr. Ferrie: —that will hurt every one of you.

An hon. Member: Oh, no.

Mr. Ferrie: Oh, yes. Do you gentlemen to my left ever get any printing done? Do you believe in security? Do you believe in the things that are right in this country?

An hon. Member: Sure.

Mr. Ferrie: I do not think some of you do.

Mr. Graydon: Be careful.

Mr. Ferrie: Let us analyse just exactly what has happened.

Mr. Harkness: We believe so thoroughly in the things that are right that we want this government out.

Mr. Ferrie: Let us analyse just what happened. There was a printing job that was done. Where was it done?

An hon. Member: On the payroll.

Mr. Ferrie: It was done in the office of a gentleman, as he was supposed to be. This gentleman ordered some printing done. But another gentleman, we will say, had these copies distributed some place. We will now leave that point. This printing was done. Do you who are on my left want to say that even when the hon. member for Rosetown-Biggar (Mr. Coldwell) makes a statement in the press that there was a leak, he does not say anything? He says there was a leak, but it was not in the Department of National Defence.

An hon. Member: Who said that?

Mr. Ferrie: The hon. member for Rosetown-Biggar. It is right there in the newspaper, and his photograph is there.

An hon. Member: What date was that?

Mr. Ferrie: That was on December 17, 1952, if you want to know.

An hon. Member: Go on. Get going in high.

Mr. Ferrie: Just be quiet. You haven't any brains.

Some hon. Members: Oh, oh.

An hon. Member: Withdraw.

Mr. Speaker: Order. I think too many pleasantries are being indulged in. A few interruptions are allowable, but I think there are too many and that hon. members have gone a little to the extreme in their interruptions.

Mr. Ferrie: Thank you, Mr. Speaker. As far as the hon. member for Rosetown-Biggar is concerned, he made the statement that there was a leak. I am more concerned about this leak than I am about the Currie report.

An hon. Member: Why?

Mr. Ferrie: For the simple reason that I see no reason why that report that was put out prior to the official document should have got out of the hands of Mr. Currie.

An hon. Member: Who took the bridle off?

Mr. Ferrie: If hon. gentlemen to my left are going to condone this sort of thing, I would say that there is something radically wrong with their thinking. I was going to make a charge the day we adjourned for the Christmas recess, but the hon. member for Rosetown-Biggar was not in his seat. I therefore postponed the idea until we came back. Now I think it is high time we took this matter seriously. In printing firms we

have jobs to do that we do not want the world to know about. I am sure all the people in Canada feel the same way about it. Can you say that you can take a copy belonging to somebody else, give it to a member of parliament and then say that he has a right to keep it, even if it was not stolen? We will give him the benefit of the doubt. The hon. member for Rosetown-Biggar was a school teacher. The hon. member for Winnipeg North Centre (Mr. Knowles) was a preacher—

An hon. Member: And printer.

Mr. Ferrie: —and printer. The hon. member for Saskatoon (Mr. Knight) was also a teacher and is supposed to be a professor.

An hon. Member: No horse traders?

Mr. Ferrie: Let us analyse these three gentlemen. One of these gentlemen read it. The hon. member for Saskatoon (Mr. Knight) read it, because he is reported in the Saskatoon *Star-Phœnix* as having said that the member for Winnipeg North Centre (Mr. Knowles) was the man who threw the bomb into the Liberal party.

Mr. Knight: On a question of privilege, may I say that the hon. member has quite misunderstood anything I said on that occasion. It is not the first time he has misunderstood many things, but on this occasion he has certainly misunderstood what I said. I did not make any remark about throwing a bomb into the Liberal party. I think they have thrown one into their own party.

Mr. Speaker: Order.

Mr. Ferrie: Mr. Speaker, the article says:

> Mr. Knight added that "it was one of our men, Mr. Knowles (Stanley Knowles of Winnipeg North Centre) who dropped the bomb".

That is the statement which appeared in the *Star-Phœnix* sometime during the Christmas recess.

Mr. Knight: Is the hon. gentleman asking me to explain that statement?—because I would be very pleased to do it.

Mr. Speaker: No.

Mr. Ferrie: I want to make this statement. These three gentlemen knew absolutely that this draft copy they had in their possession, and which did not belong to them, should not be kept by them. What did they do? They kept it. Did they do what they should have done?

Mr. Knowles: Mr. Speaker, on a question of privilege—

Mr. Ferrie: Did they turn around and—

Mr. Knowles: Mr. Speaker, on a point of order should not what the hon. member is saying be watched very closely so that we do not have any duplication of what happened this afternoon?

Mr. Fournier (Hull): There is no point of order in that. Why do you give instructions to the Speaker?

Mr. Speaker: I will listen to the debate carefully, as I always do.

Mr. Fournier (Hull): You always do.

Mr. Ferrie: I believe that these three men knew it was wrong to keep that draft report. They should have done one of three things. Did they send that report to the man they believed owned it, Mr. Currie? No, they did not do that. Did they send the report to the Speaker of this house? They did not do that either. They kept it.

Mr. Macdonnell (Greenwood): What is the third thing?

Mr. Ferrie: The third one is, did they table it in the house as a document they did not own? They did not. They cannot tell me that they did not know this thing was wrong, and I am more than surprised that the Tories are backing them up.

Let us analyse this a little bit more, and as a soldier would view it. I was only an ordinary, common soldier, and I view this with some alarm. Soldiers at Petawawa stole certain things. They took those articles out of the camp and sold them to certain persons in the vicinity. These men were picked up by the police, and when they were picked up they admitted buying the stuff from the soldiers. What happened to them? The soldier and the civilian were sent to jail. What is the difference? Is there any difference between stealing plumbing and taking a document? As somebody has said, this document did not belong to the gentleman who kept it. The plumbing did not belong to the civilian who kept it. I maintain, Mr. Speaker, that the intent was exactly the same in both cases.

Mr. Knowles: I rise to a point of order, Mr. Speaker. The hon. member is very clever in what he is saying.

Mr. Ferrie: You would not answer my question; sit down.

Mr. Knowles: I am not asking a question; it is a point of order. As I say, the hon. member is very clever in what he is doing but he is trying to say—

Mr. Smith (Moose Mountain): You don't like it?

Mr. Knowles: He is trying to say—

Mr. Murray (Cariboo): And doing it very well.

Mr. Speaker: Order. I cannot hear the point of order if there are so many interruptions.

Mr. Knowles: He is trying to say that our possession of this document—

Mr. Martin: State your point of order.

Mr. Knowles: He is trying to say that we have a stolen object in our possession—

Mr. Martin: Don't make a speech.

Mr. Speaker: Order.

Mr. Knowles: Your Honour took the view this afternoon that it was not to be expected that a member would say of another that he was the receiver of stolen goods, and I suggest that the hon. member should be very careful.

Mr. Speaker: I took the attitude this afternoon that one hon. member could not say of another that he had received a stolen article, knowing it to have been stolen. So far as I know there is nothing wrong with having goods in one's possession which have been stolen. The crime is in the knowledge that they were stolen.

Mr. Knowles: The hon. member said the intent was the same.

Mr. Speaker: I want to be fair about this; I think it is important. The intent of what?

Mr. Ferrie: He would not let me finish.

Mr. Speaker: The intent of the thief may have been the same.

Mr. Knowles: The member said that our intent was the same as the intent of the people who stole things, and who are now in the penitentiary.

Mr. Speaker: No; I think the hon. member misunderstood him or did not hear him correctly. I am sure he did not say that.

Mr. Murray (Cariboo): They are very jittery.

Mr. Gardiner: Bad conscience.

Mr. Ferrie: The reason I said the intent was the same is that it is expected that gain will be gotten out of it. That is the reason of the intent. The soldier who took the article and the civilian who bought it expected to get gain out of it. The gentlemen who kept these documents expected to get gain out of them, and that was the reason they kept them. If they did not intend to get gain out of them why did they not send them back to Mr. Currie or to the Speaker, or put them on the table of the house?

[Mr. Knowles.]

There is another thing about which I am very much concerned. In our society we have four classes of people whom we trust with our secrets. One is the doctor. We allow our doctor to consult with another doctor. We have the lawyer, and when we go to him we expect him to keep our secret. Then we have the banker, and when we take our business to him we expect him to keep it secret. Finally, we have the chartered accountant; and when we consider that Mr. Currie heads that big firm of chartered accountants and he allows a leak, allows a document to get out of his possession, I say this is something that should be considered in the house, something that should be taken seriously and should not be called a red herring. We should all think about it.

The people of Canada are wondering whether their business today is going to be taken care of, whether this chartered accountant is taking care of their business, when some of those documents in his care can be taken out and given to a member of parliament.

This is a very serious situation which has now developed. So far as I am concerned it is of more concern to the people of Canada than the Currie report. It should be considered seriously. Why should these men betray society to such an extent that we cannot trust, or feel that we cannot continue to trust those whom we have trusted through the years, in the development of our civilization.

Why has this come about? Because one body of people, one splinter group in the House of Commons, think they have a right to a document that belongs to the people of Canada. They have it in their possession before it is tabled on the floor of the house. I say in all sincerity it is high time this was stopped, so that confidence may be given back to the people, confidence in the form of society in which we have always trusted.

Those who did wrong will be punished, as was pointed out by the hon. member for Lake Centre (Mr. Diefenbaker). But let me add that in the eyes of the people of Canada these three men knew what they were doing. The one man in Saskatoon, according to his statement, must have read the document. And then we must keep in mind the other two men, the hon. member for Rosetown-Biggar (Mr. Coldwell) and the hon. member for Winnipeg North Centre (Mr. Knowles). They should have done the right and proper thing. They should have sent back this draft report to Mr. Currie. If they had done that they would still be worthy of the trust of the people of Canada, which they cannot claim right now.

Mr. Nickle: Mr. Speaker,—

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker—

Mr. Diefenbaker: What about some order here?

Mr. Garson: May I crave the indulgence of the house, and of the hon. member for Calgary West for just a brief intervention in this debate. I have to be out of town tomorrow, and this evening I should like to answer a question raised this afternoon by the hon. member for Lake Centre (Mr. Diefenbaker). I shall be only about ten minutes.

Mr. Deputy Speaker: I believe that would meet with the approval of the house.

Some hon. Members: Agreed.

Mr. Garson: Thank you. May I thank especially the hon. member who has taken his seat.

As I said, my only purpose in intervening in the debate tonight is to deal with a point raised by the hon. member for Lake Centre this afternoon when the orders of the day were called. His question, I think, was a fair one; but I am sure that upon reflection my hon. friend will agree that it was hardly one that should be asked on orders of the day for he understands, of course, that an hon. member is not supposed to make a speech when asking such a question, nor should a speech be made when one is replying.

I take this first opportunity to deal with the question he raised. It so happens that the blue copy on which my answer is set out also contains his question. I have had a copy of his question made, and I shall now refer to it. My hon. friend asked me whether—

—any information and complaint was sworn out in connection with the incident respecting the first Currie report before the mounted police were called in to investigate.

As will be recalled my answer was that, so far as we knew, no information had been laid prior to the mounted police being asked to investigate.

Then my hon. friend asked a second question:

If there was no information under the Criminal Code, then upon what basis are the mounted police used except under the direction of the attorney general of one or other of the provinces?

And then, a little later on, taking the position that my reply to that question was not, in his view, adequate, he reframed his question as follows:

Is it possible for the Attorney General of Canada to use the R.C.M.P. for investigational work in any province without the assistance or co-operation of the attorney general of that province?

That question, I suggest, was asked in respect of an attempt which was being made to find out what disposition had been made of a document prepared by Mr. Currie at the instance of the Minister of National Defence (Mr. Claxton). Mr. Currie himself had already at that time made a diligent effort to determine what this disposition was. He wrote in a letter from himself to the Minister of National Defence which is set out at page 977 of *Hansard* for January 13:

How it—

And he was referring to the document in question.

—got from the printer's shop into the hands of unauthorized third parties is still a complete mystery.

Everything which I have done by way of inquiry and investigation negatives the possibility that the copy in question could have got out in any stage or step between the printer's shop and my own organization and the department; but I still, of course, welcome any further investigation which the department or any other authority may deem it expedient to make from any angle or direction.

In the light of this suggestion, it did seem desirable to the government that it should make an investigation, and that in this connection it should use the Royal Canadian Mounted Police for that purpose. To investigate the disappearance of a document in mysterious circumstances is to carry on an investigation wholly on a voluntary basis, which really had nothing to do with the administration of justice. The federal government is in the same position in this regard as any other person interested, as a private person in, for example, the loss of property. Mr. Currie himself in this case had hired private detectives. The government utilized the services of the Royal Canadian Mounted Police. There is, I suggest, no constitutional issue involved here such as I think my hon. friend's question implied, although he did not so state. The position in fact is no different from the investigation which was conducted by the Royal Canadian Mounted Police and the provost corps into the irregularities at Petawawa camp. The position is that where government property or some other matter of federal government concern is involved, federal authority is ample to authorize investigations such as the one in question here. I think it would seem rather a strange action for the government, confronted with the terms of Mr. Currie's letter and with the need to conduct an investigation, to go out and hire a private detective firm when it already had a very efficient police force for that purpose.

In his long and distinguished career I am sure my hon. friend must have defended a great number of cases of this kind where counsel acting against him were instructed by the federal authorities, because the fact is that the practice followed in this case is

not by any means unusual. The usual practice in connection with a prosecution where the federal government has some interest, such as a breach of any statute administered by the federal government or involving fraud against or theft from the government, or even involving a criminal statute which is of national concern such as the Official Secrets Act, is that the investigation into the facts is conducted by the Royal Canadian Mounted Police or some other executive officer of the federal government, but usually the Royal Canadian Mounted Police.

If the facts justify such a course, an information or complaint is laid by the federal officers just as is the case in a private prosecution. If the accused is then committed, the provincial attorney general takes over on the trial by indictment or speedy trial unless, as frequently happens where circumstances warrant it, and as they did in all of the Petawawa cases, arrangements are made by our counsel with the provincial attorney general to carry on the prosecution to completion. I know it is probably carrying coals to Newcastle, but with regard to the question of the right of the federal government—notwithstanding the fact that the administration of justice is one of the subjects assigned exclusively to the provincial government—to enforce federal statutes such as the Excise Act, the narcotics act, the Customs Act and so forth, that is fully covered in a case which I would cite for the special benefit of my hon. friend. I refer to the case of the Proprietary Articles Trade Association and others, appellants, and the Attorney General for Canada and others, respondents, reported in 1931 Appeal Cases, at page 310. I refer particularly to pages 326 and 327, and in order to clear the matter up finally I think I might read a quotation from those pages. It is not very long.

Mr. Fulton: Are you working under the Excise Act in this investigation?

Mr. Garson: No, no. I have already covered that point.

Mr. Diefenbaker: Is this under some drug act?

Mr. Garson: No, this was under the Combines Investigation Act.

Mr. Diefenbaker: Oh, yes, sure.

Mr. Garson: One of the arguments raised in this case, which was taken to the privy council, was that the act invaded the field of property and civil rights on the one hand or the administration of justice, each of which is a matter of provincial jurisdiction, and this is how these two arguments are disposed of at the conclusion of the judgment. The reason I mention the property and civil rights item is that I am afraid I might be quoting a little out of context unless I did so. The portion of the judgment in question reads this way:

> If then the legislation in question is authorized under one or other of the heads specifically enumerated in section 91, it is not to the purpose to say that it affects property and civil rights in the provinces. Most of the specific subjects in section 91 do affect property and civil rights but so far as the legislation of parliament in pith and substance is operating within the enumerated powers there is constitutional authority to interfere with property and civil rights. The same principle would apply to section 92, head 14, "The administration of justice in the province," even if the legislation did, as in the present case it does not, in any way interfere with the administration of justice.

The next sentence is very apt to the point I am making.

> Nor is there any ground for suggesting that the dominion may not employ its own executive officers for the purpose of carrying out legislation which is within its constitutional authority, as it does regularly in the case of revenue officials and other matters which need not be enumerated.

Mr. Diefenbaker: Will the minister allow a question?

Mr. Garson: Surely.

Mr. Diefenbaker: What is the legislation with respect to which the mounted police are being used in this particular case? Is it the Official Secrets Act?

Mr. Garson: I thought I had made it abundantly clear. I thought I was almost repeating myself once or twice when I said that the Royal Canadian Mounted Police could be used quite properly to investigate in those cases in which a federal act was involved or in which a fraud against or theft from the federal government was involved, in the same manner—I would ask my hon. friend to keep his seat until I have at least finished the sentence—

Mr. Fulton: I am not even thinking of getting up.

Mr. Garson: —as when an alleged theft takes place in a departmental store, we will say, where the police of the departmental store investigate the facts, lay them before the police and carry on. We have at least as much right as the ordinary citizen in that regard.

Mr. Fulton: What has been stolen from the federal government?

Mr. Garson: This is the practice and, as I said a few moments ago, I am certain that my hon. friend from Lake Centre has acted

in scores of such cases in which crown counsel opposing him were instructed by the federal authorities.

Mr. Cruickshank: A lot of these lawyers have never had a case yet.

Mr. Carl O. Nickle (Calgary West): Mr. Speaker, like most Canadians I was deeply shocked last December 15 with the main findings of the Currie report. Also, like most other Canadians, I was struck by the conclusions reached concerning government spending habits and accounting procedures noted by Canada's Auditor General in his annual report tabled this week. I have been further shocked by the apparent inclination of the government, through certain cabinet ministers and private members, to belittle these findings and also, indeed, to try to discredit the authors of these findings and to prevent a full investigation of other phases of government spending that might reveal further and perhaps far greater losses of the taxpayers' money.

Several of my colleagues have already discussed these matters in some detail. I will not deal further with the Currie report and the Sellar statements except to say that I agree completely with the policies advocated and the comments made by my colleagues. I wish, however, for the balance of my address to discuss another matter related to defence expenditure and the handling of public moneys which is of considerable concern to the house. Members of parliament are elected by the people of Canada to direct the affairs of the nation, and they have a responsibility to Canada greater than that of any other employees in the country, whether they be civil servants or members of the armed forces. A member of parliament should be, like Caesar's wife, above suspicion. We have a duty to the Canadian public, among others to scrutinize carefully the spending of the moneys levied from the taxpayer, and to the greatest possible extent eliminate waste and inefficiency, careless accounting and dishonesty in that spending. Quite properly the major share of that responsibility rests upon the members of the party forming the government. We of the opposition ranks also quite properly have a duty to the public of scrutinizing the performance of the government and pointing out to the government any action or lack of action on the part of servants of the government or members of the government which indicate failure on their part to discharge their responsibilities to the Canadian public.

In the performance of that clear duty, as a member of Her Majesty's loyal opposition I am required to bring the attention of this house to a matter of far greater import than the amount of public money involved. It concerns, I regret to say, a member of this house. Through a presentation of the facts as I have gathered them, I trust that the member concerned, and the government of which he is a supporter, will be enabled to give to this house and the Canadian people an explanation that will clearly show this member to be in the category of Caesar's wife. And, if such an explanation cannot be given, then I trust this member and the government will take the only possible corrective action.

This matter concerns the hon. member for Westmorland (Mr. George), who is also officer commanding one of the great regiments now in Canada's reserve army, the 8th Princess Louise's (New Brunswick) Hussars with headquarters at Sussex, New Brunswick. I have not had the pleasure of meeting him during my one year in the House of Commons. The Parliamentary Guide records his noteworthy career during the last world war, his service as an officer with the regiment he now commands, service in Canada, North Africa and Europe, from 1940 to 1946. He was elected to the House of Commons as a Liberal party supporter in June, 1949, representing the constituency of Westmorland.

Before going on with the facts of the matter at issue I wish to say a few words about Canada's reserve army. Like many another member of this house and many thousands of men across our nation, I have enjoyed a long and happy association with this section of our armed forces which I believe can quite properly be called Canada's vital second line of defence. As a boy bugler and signaller in the old Calgary Highlanders for some years prior to the last war, and as an N.C.O. and officer with the same reserve unit during and after the last war, I am proud of the association with so many good Canadians who have given freely of their time and efforts, without regard to monetary considerations, in order to strengthen the defences of our country.

The reserve army of today is at least as vital to Canada's defences as it was during periods of danger in the past, and this nation owes a greater debt than it generally realizes to the young and older men who, in the ranks and as officers, are giving freely of their time and efforts to maintain an effective second line of defence. The current rates of pay and allowances cannot be said to be fair and full compensation for the sacrifices of time and effort made by the great bulk of men in Canada's reserve army.

Within the ranks of the reserve army, and indeed among the great bulk of Canada's armed forces, there is a strong feeling that

all who serve should be treated fairly; that special advantages should be given to none; that those who take advantage of special situations for their own personal gain should be ruthlessly weeded out. The armed forces, I might say, are simply a cross-section of Canada's citizenry, made up of men and women of normal honesty, concerned with the welfare and security of their neighbours and their nation, as well as their own welfare and security.

In a minority of humans there is a tendency, when they see some around them taking advantage of circumstances such as inadequate or poor administration, or security of accounting, to climb aboard the gravy train and grab their share of the loot. This was true at Petawawa and certain other defence establishments in Canada about which this house already has some information. It is probably true in many other phases of Canada's $2 billion per year defence effort, where a tendency to free spending without adequate control is unfortunately becoming increasingly evident.

Mr. Cruickshank: Quit reading it and say what you think yourself. He is reading every word of that.

An hon. Member: Order.

Mr. Nickle: I will deal with you later. With the majority of human beings there is a tendency—

Mr. Cruickshank: You could not finish if you did not read it.

Mr. Nickle: —or a strong desire to speak up. I might say in explanation, Mr. Speaker, that I am dealing with a very delicate subject this evening and for this reason I have extensive notes.

Mr. Cruickshank: On a point of order—

An hon. Member: Oh, oh.

Mr. Cruickshank: I don't need a lawyer to assist me. I have many times agreed with the hon. member about oil, which he understands; but when he gets up and reads every word he is saying about a member who is unfortunately not in the house, I say that your duty, sir, is to see that the rules are applied and that he does not read.

Mr. Wright: The hon. member for Fraser Valley (Mr. Cruickshank) knows very well that well over 50 per cent of the members on his side of the house read every word of the speeches they made before Christmas.

Mr. Cruickshank: On a point of order, Mr. Speaker, I will ask the hon. member for Melfort (Mr. Wright) if he does not agree with me that I have objected to members on my side of the house reading—

[Mr. Nickle.]

An hon. Member: They didn't pay any attention to you.

Mr. Cruickshank: Maybe they didn't pay any attention, but I am trying to bring to Your Honour's attention the fact that the hon. member being condemned is not in the house. The hon. member for Calgary West (Mr. Nickle) never notified him that he was going to read this attack—speaking on something he knows nothing about—although he may know something about gas, as I agree.

Mr. Nickle: On a question of privilege, sir—

Mr. Deputy Speaker: Before the hon. member for Fraser Valley rose on his point of order, I thought the hon. member for Calgary West was going to give some explanation of what he is doing with his notes.

Mr. Nickle: Mr. Speaker, as I started to explain before being interrupted, I am dealing tonight with a subject of some delicacy and some importance to the members of this house in total, to the hon. member for Westmorland, and to myself.

Mr. Brown (Essex West): Did you give him notice?

Mr. Nickle: For that reason, sir, because of the delicacy of this discussion and this matter I am using extensive notes, and I hope I will have your permission to use these extensive notes of the matter on which I will now go into in more detail.

Mr. Deputy Speaker: Perhaps I should intervene and inform the hon. member that it is not up to the Speaker to give permission to an hon. member to read his speech. As he knows, speeches are often read during the two long debates that take place every session, the debate on the speech from the throne and the debate on the budget. Tolerance is often exercised by the Speaker during those two long debates. When it comes to other matters before this house, especially if hon. members rise to points of order, the Speaker has no alternative but to apply the rules which are that members are supposed to express their opinions and not read speeches.

The hon. member for Fraser Valley has also mentioned the fact that the member speaking is making an attack on a member who is not present in the house. The point would be well taken if the language used by the hon. member for Calgary West (Mr. Nickle) were offensive or unparliamentary. There is nothing that prevents an hon. member from expressing his views, as long as he does not use unparliamentary language.

I refer the hon. member to citation 302, Beauchesne's second edition, which reads:

> The Speaker feels more strongly his duty to interpose and check language which seems unparliamentary with regard to an absent member.

I noticed that the hon. member for Westmorland (Mr. George) was absent. So far I have not heard any words which may be construed to be offensive or unparliamentary as applied by the hon. member for Calgary West to the member for Westmorland. The hon. member may continue.

Mr. Nickle: I shall continue, not reading a speech but using my notes as a guide to what I have to say. Dealing again with the question of the hon. member for Westmorland, I may say that in recent months there has come to certain members of this house, including myself, information to the effect that unduly large pay and allowances have been claimed by and paid to this member in his reserve army capacity. That information, from sources I will not name, was sufficient to justify further investigation.

During the last session of this house a series of questions was placed on the order paper by my colleague, the hon. member for Wentworth (Mr. Lennard). The questions were designed to obtain complete information as to pay and allowances of reserve force officers in Canada's four army commands during the calendar year 1951, in all cases where the year's payments exceeded $800. The answers were tabled in this house on Friday, November 21 last, following the opening of the current session. The answers listed by name and rank 260 officers of the reserve force, ranging from brigadiers down to captains, who received in pay and allowances for their services to Canada in the year 1951 amounts exceeding $800. The average amount received was under $1,000.

There was only one payment on that long list exceeding $2,000. This was the amount of $2,495.01 that was paid to Lieutenant Colonel E. W. George, who is the hon. member for Westmorland. The amount of pay and allowances to him was about double the average payment to all other lieutenant colonels on the list, and was about $770 more than the second highest payment to an officer of the same rank. At the rate of pay in effect during 1951, $367 per month for lieutenant colonels, the hon. member received army pay for a total of 204 full days in that year, if it were assumed that the total sum paid did not include some expense allowance.

It may be assumed, of course, that some expense allowance was included, and the number of days of actual army pay would represent less than 204 days.

It is of interest, however, to note that the second highest payment to reserve force officers was to a brigadier, who received $1,884.87 in pay and allowances or $610 less than the hon. member. At the prevailing brigadier's rate of pay, $689 per month, and assuming that the total payment did not include any expense allowance, the highest paid reserve brigadier claimed pay for service totalling only 82 days. Now, it might be logically assumed that Colonel George claimed army pay for a greater number of days of service than any other reserve officer because he actually devoted many more days and part days to the command of his reserve army regiment than any other reserve army officer in the country. As most hon. members are doubtless aware, attendance at two parades of a reserve unit entitles a man or officer to one day's pay. In addition, full pay is allowed for service days in annual training camp, and for days devoted to administrative duties. Presumably, Colonel George devoted a sufficient number of part and full days to his duties as officer commanding his regiment to qualify for the pay and allowances claimed and paid. The only question that could be raised was as to why his number of service days should have been so much greater than that of other officers of similar rank and responsibility in the reserve forces.

This week a further question was raised with the tabling of the public accounts of Canada for the fiscal year ended March 31, 1952. A check of the latest public accounts, covering nine months of 1951, the year for which Colonel George's army payments are on record, coupled with a study of the public accounts for the previous year, which included the other three months, makes my statement of today necessary.

During the calendar year 1951 the House of Commons sat for 142 days during the session period January 29 to June 30, and for a further 82 days between October 9 and December 29 of that year. These periods total some 224 days out of 1951.

The public accounts show that the hon. member for Westmorland claimed sessional indemnities and expense allowances in their maximum amounts for attendance in the House of Commons during the calendar year 1951. Allowing the full 15 days of absence, on grounds other than illness, permitted before deduction from indemnities, the hon. member presumably attended in parliament some 209 days in 1951. It therefore appears obvious, sir, that in his dual capacity as a member of this house and as officer commanding a reserve army regiment, the member for Westmorland claimed for and received from public funds payment for more days in 1951 than there are days in a calendar year. It must be assumed that he devoted no time whatsoever in 1951 to his personal affairs or running his farm in New Brunswick.

The hon. member, sir, and this government of which he is a member, should without delay make a full explanation to this house, and to the public of Canada, as to the rather extraordinary situation disclosed in the answers given my colleague, the hon. member for Wentworth, by the Department of National Defence, coupled with the information contained in the public accounts of Canada. Inasmuch as no public returns are yet available for the calendar year 1952, I would suggest that the answers to be given might also include full information as to the year just concluded.

The situation, sir, is one requiring full explanation because of the unique position of responsibility to Canada occupied by all members of this parliament. It requires full explanation, too, because of the special responsibility placed in all commissioned officers of Canada's armed forces. Full explanation is particularly necessary in this case, sir, because the hon. member for Westmorland is one of the government party members of the committee on defence expenditure, charged with the specific task of analysing and checking the vast expenditures for defence being made by our nation.

Mr. McIlraith: The committee has not yet been set up.

Mr. Cruickshank: May I move the adjournment of the debate?

Mr. Deputy Speaker: Before I recognize any other speaker—it is now ten o'clock in any event—I should like to say a word in connection with the remarks that have been made by the hon. member for Calgary West (Mr. Nickle). I am only making these remarks at this stage as a caveat because I am not quite sure of the exact status of the accusations which have been made in the course of this debate by the hon. member against the member for Westmorland (Mr. George).

I just want to leave this thought with hon. members. It might well be that this type of accusation—which after all could mean that a breach of privilege has been committed by the hon. member for Westmorland—would be of the type that should be referred to the standing committee on privileges and elections. If that is so, I think it should be done by a distinct motion. As I say, I am not sure of the point. I was merely looking it up. It may be that the matter will be pursued by other hon. members in the course of this debate. This is a motion to set up a committee to examine the expenditures made by the defence department. There is no question that the expenditure referred to has been made and that it appears in the public accounts. But as to the point that this money referred to as paid by the Department of National Defence has been received by a member of this house, that matter may well constitute, as in the opinion of the hon. member it seems to, a breach of privilege and might, I submit, well be of the type that has to be referred to the standing committee on privileges and elections. It therefore might be out of order to discuss it on this motion. I am not making a ruling. I just want to give this point further thought and to consult Mr. Speaker about it. However, I wanted these remarks to be made before the matter is concluded.

On motion of Mr. Cruickshank the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull): Mr. Speaker, tomorrow we shall continue this debate and, if it is concluded, we shall take up the items which appear on the order paper under the name of the Minister of Transport (Mr. Chevrier).

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

HOUSE OF COMMONS

Friday, January 16, 1953

The house met at 2.30 p.m.

THE ROYAL STYLE AND TITLES ACT

CHANGE IN FORM OF TITLES FOR USE IN CANADA

Right Hon. L. S. St. Laurent (Prime Minister) moved for leave to introduce Bill No. 102, an act respecting the royal style and titles.

He said: This bill is to secure constitutional approval of changes envisaged in the royal style and titles which were agreed to at the prime ministers' conference in London in December. It was decided that they should be recommended to the respective parliaments of the commonwealth. It is to carry out the agreed minute which was tabled in this house on December 15, as printed as an appendix to *Hansard* of that date.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS

ASSESSMENT OF INCOME TAX ON PENSION FUND REFUNDS

On the orders of the day:

Mr. J. G. Diefenbaker (Lake Centre): I would like to ask a question, and although I did not give notice to the minister, the matter was up before and it is this. Has consideration been given to permitting employees of the Canadian National Railways, who are in receipt of excess contributions under the original pension plan, to be relieved from reporting such refunds as income, as though they were received during the current year?

I understand that representations to that end have been made and I would like to know the result from either the Minister of National Revenue (Mr. McCann) or the Minister of Transport (Mr. Chevrier). I do not know which minister is looking after it.

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, some consideration has been given to the matter. As the law stands now, the amount received is taxable in the year it is received. However, we will take the question as notice and if there is further information we can get for the hon. member we will be very glad to give it.

Mr. Diefenbaker: Might I ask a further question in that connection, since it affects many employees? They claim they were given promises to that effect.

Some hon. Members: No, no.

Mr. Diefenbaker: There is nothing controversial about this. They claim that they were promised to that effect and I wonder whether the Minister of Transport is in a position to say whether they were, and in any event whether he would recommend that something be done along the line suggested in my first question.

Hon. Lionel Chevrier (Minister of Transport): I have given some attention to the problem and I can assure you, Mr. Speaker, that no promise was given in so far as the Department of Transport was concerned. I have received representations from the chairman of the committee established under the pension scheme and I intend to discuss the matter with my colleague the Minister of National Revenue.

CANADIAN BROADCASTING CORPORATION

SPECIAL COMMITTEE—INQUIRY AS TO APPOINTMENT

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, on December 17, as recorded at page 832 of *Hansard*, I asked this question of the Minister of National Revenue (Mr. McCann):

> Will the government take steps leading to the appointment by the house of a special committee of the house at an early date to review the report and operations and policies of the Canadian Broadcasting Corporation?

The minister's reply was:

> Mr. Speaker, the government have no objection to following that course and I will place the matter before my colleagues immediately.

I wonder if the minister would indicate whether it is the government's intention to place a notice of motion to that effect on the order paper at an early date so that the committee can be appointed and launch on its inquiry very soon.

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, as a matter of fact the motion has been drawn and, as has happened in years gone by, we are awaiting

nominations from the party to which the hon. gentleman belongs to complete the personnel of the committee.

Mr. Fleming: On a question of privilege, Mr. Speaker. The minister has no right to make the statement he has just made, because it has not been the practice to make these nominations until the house has approved the motion to set up the committee. If the minister will indicate that that will be done, the nominations will be readily forthcoming.

Mr. Speaker: I do not think I should allow a debate on the matter at this time.

DEFENCE EXPENDITURE

APPOINTMENT OF SPECIAL COMMITTEE

The house resumed, from Thursday, January 15, consideration of the motion of Mr. St. Laurent for the appointment of a committee to examine defence expenditures and commitments, and the amendment thereto of Mr. Claxton, and the amendment to the amendment of Mr. Knowles.

Mr. P. E. Wright (Melfort): When the house rose last night, we were discussing the matter of the Currie report. Before dealing with that matter specifically, I want to make a few remarks about the speech made yesterday by the Prime Minister (Mr. St. Laurent). I must say that I was surprised that the Prime Minister should have displayed what I considered to be a waspish bad temper with regard to this matter. Perhaps it was brought about by the weakness of the argument which he had to make. Knowing the Prime Minister as we do in this house as having always been a fair-minded person, I did not expect that he would stoop to use what I at least consider to be sly insinuations and innuendoes against the hon. member for Rosetown-Biggar (Mr. Coldwell) to draw attention away from the poor administration of the Department of National Defence. To me, that seemed to be beneath the dignity of the Prime Minister, and beneath the dignity of the position which he occupies.

The hon. member for Rosetown-Biggar needs no defence from me in this house. His record over the years has been one of meticulous care and good judgment in the debates of this house. At no time has he ever tried to take advantage or to use innuendoes against any other member of this house. As a matter of fact, in my opinion, the whole matter of this working paper which came into his hands has been overemphasized. It is not the first occasion upon which the members of this group have had alleged irregularities in various government departments brought to their attention. In every case, we have carefully considered the use to be made of that information and intended to use it in the public interest. In some cases, we have seen fit to do nothing about it. In other cases, we have seen fit to bring it to the attention of the minister concerned when we felt confident that he did not know of the irregularities, and if they were brought to his attention he would take the necessary action immediately to correct them. I am pleased to say that in most instances that has been the case.

In the matter of this working paper which came into the possession of the hon. member for Rosetown-Biggar, we did not have the same confidence because, in that working paper, this was stated:

> Before reciting the irregularities and their circumstances uncovered by the R.C.M.P.—with the assistance later of the provincial police and the army provost corps—it must be said that internal warnings had not been lacking in the Department of National Defence. The chief auditor of the department had performed his functions conscientiously. Time and again he had reported unsatisfactory conditions. This is clear from Appendix "B" which summarizes his findings over a period of years. The deputy minister in each case had directed the quartermaster general to investigate and report. Lack of adequate action at this point had, however, caused a progressive deterioration in the situation. Aside from reports being delayed for considerable periods of time, the record shows the next audit revealing conditions similar to those previously reported and, in some cases, worse. The process is then again repeated.

What confidence could we have that action would be taken had the working paper which came into our hands been submitted to the minister himself? I should like to ask the minister or the associate minister whether copies of the chief auditor's reports, given to the deputy minister, had been placed in the hands of the minister himself? If they were, why did he not follow them up and take the necessary action to correct these practices which, according to Mr. Currie's report, had been going on, not for months but for years. There are some very pertinent questions which I think the Minister of National Defence has failed to answer in that respect. I want to say that the type of innuendo that was used in the house yesterday was the sort of thing that one might expect from a second-rate debater on the hustings in the heat of an election. Certainly, it was not the type of thing one would expect from the Prime Minister of this country in dealing with a serious matter of maladministration in one of the largest spending departments of this government.

An hon. Member: You don't like it.

Mr. Wright: To me, the seriousness of this matter is that the taxpayers of this country, from whom in 1951 the Minister of Finance (Mr. Abbott) saw fit to collect $1,725 million for our armed forces and last year collected taxes of $2,100 million, are going to ask questions. They are going to wonder whether they should be taxed to the extent that they are taxed for our armed forces, unless this money is going to be used for the purposes for which it is being collected. They will want to get dollar value. If we want to have national defence in this country, then we have to have the confidence of the taxpayers in the Department of National Defence. Certainly, they cannot have that confidence today, following the issuance of this report and other incidents which are happening in this department. Yet, when we suggest that the government should give consideration to having Mr. Currie inspect some of the other parts of the Department of National Defence, the Prime Minister rises and states that he does not consider it is necessary.

As a matter of fact, the corps that has been investigated is only a small portion of our armed forces. Here is what the minister stated with respect to that. It is found on page 936 of *Hansard* for January 13, 1953.

> Now, let me point to another fact in the organization of the Canadian army which has some importance. The Canadian army, as is the case in most countries, is divided into corps. There are fourteen in all, and they include armour, infantry, signallers, etc. One of the corps is the Royal Canadian Engineers. The engineers, in turn, have two components, the field units which do the engineering work in the field and the army works services which have to do with accommodation and services at static establishments. The Currie report has, of course, to do with this latter branch, that is the army works services and this branch only.

After listening to some of the speakers on the government side of the house, one would think that Mr. Currie had made an investigation into all branches of the army and that only in the case of the camp at Petawawa were any irregularities discovered. That is not the case at all. His investigation covered only a small part of the army. I believe that this particular works division spent only about $150 million in the year 1951 out of about $1,725 million voted for the army in that year. This year they are spending a little bit more of the $2,100 million voted for the army during the past year. But there are other corps in the army, and to say that everything is lovely in all of the other branches in the army is something which I do not think can be justified by the findings of the Currie report itself. Here is what Mr. Currie had to say with regard to that matter, as appears at page 712 of *Hansard*:

> The conclusion I have come to is that, while there has been a general breakdown in the system of administration, supervision and accounting, it was only at Petawawa that extensive irregularities over a prolonged period of time took place. The contents of this chapter are chiefly based upon my studies there, because of the existence there of a combination of factors; lax control, poor discipline and the presence of dishonest personnel. The combination proved disastrous.

It is perfectly evident that there was lax administration not only at Petawawa but in government departments and that there was poor accounting in the defence forces right across the Dominion of Canada; but only one branch, namely the works services division, has been investigated to date.

To say that in the defence expenditure committee we can have a thorough investigation of the other branches is, in my opinion, just nonsense. It takes a chartered accountant to do that work. It takes a great deal of close investigation to dig out the facts in these cases. That fact was evidenced by Mr. Currie's report as to what took place at Petawawa. He said out of five thousand different articles being purchased for that camp, he took one, namely cement, to try to make a thorough investigation into what happened with regard to the disposal and the purchase of cement in that camp. He said he chose that example because, in his opinion, it was the easiest one to follow. Yet, with his accountants, he said it took him three weeks of continuous work to trace what happened to one article in the camp at Petawawa. What chance has a defence expenditure committee, composed of members in the proportion of three government members to one of the opposition, to dig into the thousands and thousands of articles which are being purchased for the army right across Canada today? What chance have they to make a thorough investigation? It is just nonsense to talk of it. Any member of this house who has sat on these committees knows that it is only when you have competent chartered accountants to check the books and to follow through that such a thing can be done.

This defence expenditure committee would be sitting here for the next three years before they could complete an investigation; and I do not think we are going to be here for three years. I rather expect that something will take place inside of the next three months; and as far as the investigations of this defence expenditure committee are concerned, I rather expect that they will be kept busy considering something that has already been investigated. The Minister of

National Defence (Mr. Claxton) moved that the first thing that should be investigated by that committee was the Currie report. He cannot have it both ways. In one instance he says that the Currie report is a report about incidents that have already happened and have already been investigated and corrected. Then he says that he wants the committee to spend its time doing further investigation on the Currie report. What nonsense! It is as if there was nothing else to be investigated in the Department of National Defence except the report of Mr. Currie which indicates right through that there is something else which should be investigated. That is indicated not only in the Currie report. The Auditor General in his report to the house, which was just tabled the other day, also indicates that there are other things in the Department of National Defence which should be investigated with regard to the auditing and the accounting system used in that department. Let me read just two or three of his recommendations. At page 24 of his report he states:

(a) No clear distinction has been drawn between stores procured for stockpiling or the equivalent, and those for normal peacetime needs;

(b) Long-term usage is to regard stores as service property with responsibility for accounting and custody vested in various components of the service forces. The consequence is that no civilian authority answerable to parliament exercises direct control after procurement;

(c) Each service accounting system has forms for similar purposes but the forms, generally, are not standardized throughout the services;

(d) Practices governing service promotions are not such as to safeguard against officers with insufficient accounting experience being placed in accounting control of large inventories. A like situation exists with respect to those responsible for warehouse management—

It is quite evident that the Auditor General agrees with Mr. Currie that the auditing systems being used in the army are not what they should be and that further investigation and correction should take place with regard to them. That is all our amendment suggests. The hon. member for Winnipeg North Centre (Mr. Knowles) moved the following amendment:

That the amendment be amended by adding thereto the following words:

"and to give consideration to the desirability of recommending that Mr. Currie be asked to conduct a further inquiry into any other expenditures and commitments covered by the terms of this resolution".

That is simply asking that Mr. Currie be authorized to go ahead and investigate these thirteen other corps in the army in order to see whether the accounting systems there are what they should be. Yet the Prime Minister indicates that he will not support that recommendation "to give consideration".

What does that mean? It means that I shall be greatly surprised if every Liberal member in the house does not support the Prime Minister. I shall be surprised if the committee will, of their own initiative, go ahead and ask Mr. Currie, in the face of an adverse vote here in the house, to investigate further the other departments in the army. It is just ridiculous to think that they would do so. Yet it is quite evident that that investigation is necessary. It is quite evident that the accounting systems are not what they should be in departments of the army other than the Royal Canadian Engineers works services division. Not until some outside authority goes in, inspects those accounting systems and sees that they are operating effectively will the people be satisfied. Only then will the taxpayers of this country, who are providing the huge sums of money that are necessary for our armed forces at this time, be satisfied and feel that their money is being spent in a proper manner in the Department of National Defence.

Another point raised by the Prime Minister yesterday was with regard to the conduct of the chief of the general staff in this country, and whether he had or has the right to go into print and comment on a matter of political importance which is being discussed in this house. I just cannot agree with the Prime Minister in what he had to say in that regard. I do not see why the chief of the general staff, if he has some statement to make, or if he thinks that there are reports in the press which would reflect on any part of the army, cannot make his protest through his minister here in the House of Commons. I think it is a terrible precedent to set in a democratic country, to allow the heads of our armed forces to enter into a political discussion on a matter which is being discussed on the floor of this house. If we allow that, where are we going to stop? Are the deputy ministers of other departments, when their estimates are before this house, when something is being discussed with regard to their estimates, going to be able to go to the press and issue statements which might have political implications in them? Surely the Prime Minister did not mean that when he made his statement yesterday in the house.

We all respect the part that our armed forces played in this country during the last two wars. There are many members in this house who belong to the armed forces, and who are just as jealous of their rights and privileges as is the Prime Minister; but to try to use that as a shield against maladministration in the Department of National Defence is wrong, in my opinion, and I am surprised that the Prime Minister should attempt to do that in this house. During the

war there were many things that might have been discussed by the heads of the army, navy and air force, but not in one instance that I can recall did they go to press. If they had something to say they said it through their ministers here in the House of Commons, because they had confidence in those ministers, because they knew that those ministers could and would defend them in the House of Commons, and defend them against any imputations which might be raised either in the press or here with regard to their efficiency or to their honest administration of the departments. But apparently today they have not got that same confidence. Apparently today the chief of the general staff feels that he has to go to the press or that he has to issue statements. Why? The only conclusion one can reach is that he has not confidence in the Minister of National Defence and his ability to defend the army here in the House of Commons. That is a sad state of affairs. I would say it is a state of affairs that only the Prime Minister can correct here in this House of Commons. He has given no indication to date that he intends to correct it. He has given no indication that he intends to take any action that would effectively clean up some of these incidents that are happening.

We heard the hon. member for Red Deer (Mr. Shaw) in a speech earlier during this session indicate that in his opinion certain construction contracts at Penhold, Alberta, were not just everything that could be desired. Other hon. members have indicated what they believe to be irregularities. But what action have the government taken? None. The excuse given by the Minister of National Defence, by the Prime Minister and by the backbenchers on the Liberal side of the house, is to try to cover up, to try to make little of the incidents which have happened. Well, if that is to be the attitude of the government, then I am afraid that the taxpayers of this country are going to think twice before they vote for a government that spends the amounts of money that the government are spending today on our armed forces without having the proper supervision of the spending of that money, without having proper accounting systems in all corps of the army to see that that money is being used to the best advantage to secure the maximum of defence for this country. It is only when that takes place and when this government shows more initiative in the taking of the proper action, that we can hope to have the maximum of national defence in this country. It is nonsense to talk of it otherwise, and I would strongly urge that every hon. member support our motion, support the motion that Mr. Currie be given the authority to investigate all branches of the army, in their expenditures and in their accounting system since March 1, 1950, as indicated in this subamendment.

Mr. G. M. Murray (Cariboo): Mr. Speaker, I wish to say a word at this time on behalf of the printers of Canada, a craft with which I have been associated all my life. Whether or not this document was stolen does not concern me so much as this, that some printer may have violated the ethics of the printing office by allowing a copy of the Currie report to go out of a printing office without authority and wrongfully.

I say that the printers of this country observe a very high code of ethics, and they will learn with great regret of the removal of this document from the Montreal printing office. If this office is under the International Typographical Union I assure you that I will expect the executive of the union to make a most careful inquiry and to fix on their behalf the guilt in this matter.

As I say, there are no finer craftsmen in Canada than the printers, and upon no group of people do we rely so much as upon the printing industry. The affairs of this parliament could not be carried on without the co-operation and service of these men, who work diligently handling the documents of the country, some of them very secret documents and very valuable, and who take care of them and go to every length to preserve secrecy and decorum in handling the documents of this house. If we are to tolerate the removal of an official document, such as the report mentioned in this house, what is to prevent some printer, on the eve of the delivery of the budget speech in this house, from extracting a copy of the budget speech and using it for his own profit or for the profit of those about him? The speech from the throne setting forth the policies of the government would not be inviolate. Under this system, if persons are allowed to use these documents, a certain political or financial group would be able to procure a copy of the speech from the throne hours before it was delivered in this house and exploit it. Similarly, financial statements of banks, mining companies and other industries would be open to those who would desire to make gain by wrongfully securing news and information in advance. And, as I say, official documents of a secret nature between nations would not be safe. Therefore to condone this sort of thing is to follow in the best pattern of communism, where the extracting of plans, drawings and documents is reduced to a fine art, as has been exemplified in the recent

trials in Ottawa and at Washington where enemies of the country were brought to book on charges of espionage.

The very press of the country would be handicapped if the character of the printers was not such that documents are released on a certain date for publication. And there is not one printer from one side of this country to the other, from one coast to the other—not one publisher—who would think of violating an official speech sent out by leaders of the nation to be released at a certain hour on a certain day.

I say the whole tradition of the printing industry in Canada is the very highest, and that there has always been that desire to safeguard confidential information and to make the printed word a sacred thing in this country. So much for the printers.

I am one who has not been swept off his feet by these revelations from Petawawa. They are serious, of course. I would be the last to condone wrongdoing such as has been shown at Petawawa. Each member in the house has been placed in the position where it is necessary for him to express himself with respect to the charges which have been made against the Department of National Defence. At the same time I think we should keep the picture in proper focus.

For the most part the crimes and misdemeanours at Petawawa were not to be compared with those committed elsewhere in Canada not so long ago. The opposition seeks to shake the very foundations of the country because some junk dealers made off with certain materials from Petawawa. I desire to tell this house of wrongdoing which overshadows the whole story of Petawawa.

In the wake of war—and the very spirit of war is waste and destruction—there have always been revelations of this kind. Speaking in this house on December 1 the hon. member for Nanaimo (Mr. Pearkes) drew attention to scandals associated with the Crimean war. Then he came along farther to the South African war, and referred to the waste associated with that conflict, and the aftermath of that unfortunate war, which took a good many Canadian lives, too.

I am old enough to have been in Ottawa in 1908 when there was another Petawawa scandal. Certain officers were charged with this, that and the other thing. I think it all simmered down to the fact that a lot of moth-eaten uniforms, and so on, surviving from the South African war, which the army service corps had in storage, in warehouses in Ottawa, had been surreptitiously removed and sold, or something else. That was a seven-day scandal in Ottawa, and was an aftermath, as I say, of the South African war.

The hon. member for Nanaimo did not go on to refer to world war I. If he had, he could have told, from firsthand knowledge, of the profiteering and waste which was tolerated. This is no time to revive references to those events—the horse deals of that era, the thefts and pilfering that went on. I am inclined to believe that Petawawa is merely incidental to the conclusion of world war II and the cold war era, in which we have existed these last few years.

Perhaps this house has never heard some of the revelations concerning the Alaska highway. I bring that up today, because I represent the riding through which the Alaska highway was constructed, and I feel it my duty, as an independent member of parliament, to bring forth the truth wherever it is possible to do so.

"And ye shall know the truth, and the truth shall make you free." I would like to give some of the facts regarding the Alaska highway, of very recent memory. Violent death was too often recorded in connection with the building of that highway. There the plunder, and the outright theft and destruction of goods, from 1942 onward, was such as to cause Canadians to hide their faces in shame, to think that anything like that could happen in Canada. Fortunately things did not get into the press and were not kicked around in the House of Commons for political purposes, as have been the comparatively trivial crimes and misdemeanours at Petawawa.

Let me draw attention to one thing that happened on the Alaska highway in February of 1943. Two truckloads of TNT explosives were driven into the town of Dawson Creek and, through the utter carelessness of the contractors responsible, and the army officials who had control of the contractors, an explosion occurred which killed 21 persons, wounded an unknown number and wrecked most of the town. Two soldiers were burned to death in the Dawson Creek jail, like animals caught in a trap, as a result of the fires that spread from that explosion.

Well, one might say that that was a war period, that the Americans were on the Alaska highway, and that we had no responsibility. The Alaska highway was farther away from any theatre of war in 1942 than it is today. It was a scandalous thing, and responsibility for it has never been officially fixed, although large sums of money were paid in damages and many buildings were rebuilt to replace those destroyed. A modern

hotel has been built upon the ruins of the one destroyed by that explosion, an explosion which resulted from the sheer negligence and carelessness of those in charge.

I was at Fort Nelson on a certain occasion when five thousand gallons of high octane gasoline were wasted through the neglect of army personnel. This was in 1944, and each gallon would be worth at least $4 at that time and at that place.

In 1942 two bulldozers, valued at $35,000 each, were being transported across Charlie lake on the Alaska highway. The boat tipped over and 17 men were drowned.

Two truckloads of groceries, two complete lorries loaded with groceries—and these were army lorries, driven by Canadian soldiers—were stolen from the officers' mess at Fort Nelson, along with the trucks. The groceries were sold by the soldiers, and cached at a certain farm at Fort St. John. Arrests followed, but I do not know what happened—whether the prosecution was carried out, or whether the men went to jail. I venture to say that those two truckloads of groceries were probably worth, in dollars, as much as all the miscellaneous junk stolen from Petawawa.

It was stated by persons who should know that fourteen thousand pieces of equipment at an estimated value of $10 million disappeared on the Alaska highway from 1942 until 1945. This included acetylene torches, Delco lighting units, and other units for lighting army camps, lathes, power drills, electrical equipment, transformers, automotive accessories of all kinds, automobile and truck tires, and all the other gear used in road construction and in the building of airports.

It was said that 500 trucks disappeared, along with certain gasoline shovels and other heavy equipment. In one place a hundred large cast-iron stoves, army stoves, for heating army barracks, were thrown over the bank and covered over by bulldozers, so that they could be removed later by the thieves.

Sugar and other food supplies, which were of great value at that time, and particularly at points hundreds of miles from the railhead, were stolen or disappeared. Army blankets and clothing disappeared; and Indians and others are still digging up loot along the Alaska highway, as the result of the epidemic of that time.

When authorities proceeded to investigate alleged irregularities at a large repair depot at Mile 49, where $100,000 worth of equipment such as lathes, hammers and drills were installed, the building was mysteriously burned down overnight, along with all records. In 1942 and 1943 free gasoline was pumped at all stations for all comers, contractors, tourists, visitors, and everyone. The trucking contractor made the most of this flood of free gasoline. At Fort Alcan an entire building 120 feet long, and probably the same width—I might say that this building included the jail—was stolen along with all its contents.

The Alaska highway spree continued right under the noses of the top brass of the Canadian army. You might say that the Americans who were there were responsible, that the United States army was in there and they were responsible, but nothing of the kind was the fact. We did not surrender to the United States army any authority whatsoever respecting law enforcement. In keeping with the epidemic of plunder and corruption, there was a total lapse of law enforcement at certain points.

Ace-away games were the order of the day. This game is very popular in my part of the country. Dice are used and anyone who has shaken craps is just a novice in the use of the ivories as they have to be used in ace-away. This game flourished right along the highway and it was not unusual to see a man risk a hundred dollar bill on a throw of the dice. In fact, thousand dollar bills were risked on a throw of the dice throughout the Northwest and Yukon territories. The hon. member for Yukon-Mackenzie River (Mr. Simmons) will be able to confirm this. Whisky was $80 a bottle at Watson Lake and there was lots of it. Here is something for the Minister of National Revenue (Mr. McCann). United States cigarettes could be had at five cents a package or fifty cents a carton. There was a direct violation of the Canadian customs regulations.

I do not propose to discuss the Canol project as that was paid for wholly by the United States government. Hon. members will remember that a Truman commission in Washington investigated this project. The waste, the theft and the sabotage associated with that project was on a superlative scale. Steamboats and barges disappeared entirely from the possession of the authorities. Most expensive technical equipment was plundered and scores of motor trucks vanished along with bulldozers and accessories and equipment. I was at Fort Norman and personally saw acres of buildings piled high with tractor parts worth millions of dollars. These were later sold or disposed of, but the world will never know how much was carried away unlawfully.

Let me quote just one incident. At Fort Norman some of my friends sought to purchase a refrigerator unit which was attached

to a barge. This was a large unit and in good condition. The farmers thought that they could acquire it as it would be a good place in which to store beef, dairy products and so forth on the farm. But the hinges of the door had been destroyed. Soldiers, in order to fasten the door in its place, the hinges having been broken off, had taken sides of Swift Premium bacon and spiked them in place as a substitute for the hinges. On the highway and on Canol carloads of the most valuable tinned goods, such as tinned hams, disappeared.

Some may think that I am out of order in bringing these facts to the attention of the house.

Some hon. Members: Oh, no.

An hon. Member: Join the opposition.

An hon. Member: Keep on going.

Mr. Murray (Cariboo): I would remind the house that the young army captain who was sentenced at Petawawa, a man with a most brilliant record, received most of his training on the Alaska highway. That goes for many of the other men from Petawawa who have been sent to the penitentiary. They worked on the Alaska highway and many of them saw, at first hand, these terrific examples of wrongdoing which went unchecked by their superior officers.

I have a certain feeling of compassion for some of these men. I do not wish to see wrongdoing condoned. The law has taken its course and they must abide by the decision of the court. But I have a feeling that these young men were exposed to temptation on the highway long before they ever came to Petawawa. Probably they came there after the episodes which I have mentioned, but you cannot discuss Petawawa without recalling the chapter relating to the Alaska highway.

I am not accusing any of the senior officers of wrongdoing in this connection, but I am one who believes that a man should not consider himself holier than anybody else. The hon. member for Nanaimo was the general officer in command of the Canadian army for the Pacific in the years that I mentioned, 1942 and 1943.

Some hon. Members: Oh, oh.

Mr. Pearkes: Mr. Speaker, I am sure that the hon. member will want to keep the record straight. The Alaska highway was not under the Pacific command in those years.

An hon. Member: Just keep the record straight.

[Mr. Murray (Cariboo).]

Mr. Murray (Cariboo): The hon. member was general officer commanding the Pacific command in 1942 and 1943 and that was in the Pacific area. General W. W. Foster was appointed as a special liaison officer. It got so bad up there that they had to appoint General Foster to take charge so that he could report direct to the war cabinet at Ottawa. So the hon. member for Nanaimo was not held responsible after that first year of construction. Anyway I do not think he should be held responsible and I do not charge him with anything. But I do think he should have a little compassion for those who are being so viciously attacked over Petawawa.

I do not say that he knew what went on on the Alaska highway, but I will say that the outrages on the Alaska highway resulted primarily from the presence in the country of the United States army which introduced a system of ethics which were at least startling to Canadians.

At the same time, had there been charges in parliament over the Alaska highway disgrace in the years 1942, 1943, 1944 and thereafter, the hon. member and other senior officers in the Canadian army would have been greatly worried over matters which had got out of hand, certainly through no dereliction of duty on their part. Worried also would have been Mr. G. S. Currie, author of the Currie report, who was deputy minister of national defence throughout the period I mention when these crimes and misdemeanours were committed.

Mr. Hees: What government was in power at the time?

Mr. Murray (Cariboo): I am not going to saddle the Minister of National Defence (Mr. Claxton), a young man with a great career ahead of him and a great record back of him, with crimes and misdemeanours which were committed long before he took office.

Mr. Hees: This government was in power. It is the same old government, the same old stuff.

Mr. Gardiner: Where were you at the time?

Mr. Murray (Cariboo): It is clearly evident that the shouting and tumult over Petawawa is for political purposes chiefly. It is unfortunate that the House of Commons should be compelled to pause for so long a period to hear debates which have become so bitter and so unprofitable. We have the great task of NATO on our shoulders; we have heavy responsibilities in Korea and on the continent of Europe. We have a list of national problems facing us which call for attention and solution. And yet we sit here day after day in

the midst of bitter accusations, the hurling of epithets, personal charges and so on, over something trivial by comparison to the things I have mentioned here. It is indeed trifling. I am afraid that some of the language used in this house will greatly discourage our participation in the United Nations war effort and it will discourage enlistment in the armed forces for Europe. By exaggerating Petawawa we are playing into the hands of our enemies.

An hon. Member: You mean the opposition?

Mr. Murray (Cariboo): I express the opinion of a good many people across Canada when I say to this parliament: Let us get on with the job.

Mr. Nickle: May I ask the hon. gentleman a question?

Mr. Deputy Speaker: Order.

Mr. Fulton: I understand that the hon. member for Calgary West (Mr. Nickle) wishes to ask the hon. member for Cariboo (Mr. Murray) a question.

Mr. Murray (Cariboo): I will be glad to answer.

Mr. Nickle: Is it your intention, sir, to indicate that the responsibility for the failures in proper handling of defence funds in Canada rests with the United States army?

Some hon. Members: Don't answer.

Mr. Murray (Cariboo): The United States army is a great and powerful force for good in the world today. They make their mistakes, as the Canadian army does, but they keep on with the task.

Some hon. Members: Hear, hear.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, it is going to be extremely difficult for me to make a more effective case in dealing with Mr. Currie's report and the necessity for continuing the investigation started by him than has just been made in the speech so carefully read and eloquently delivered by the member for Cariboo (Mr. Murray), who has just taken his seat. Because never was there more clearly shown—and for the first time in this parliament—just what has been going on in this country over a period of many years as a result of lax administration of the defence department.

I shall use the words used by the member for Cariboo himself. To quote him, under this Liberal administration—and this government is a direct descendant of the government then in power—during the war and during the period of events which he described on the Cariboo highway there was an "epidemic of plunder and corruption". Mr. Speaker, I am quite sure if any one of us in the opposition used those words, accurate and apt as they are, to describe some of the things which went on, we would be called out of order.

Mr. Gardiner: May I ask the hon. gentleman a question? Did he not use much of this kind of argument in connection with the campaign in which he won his seat and came into this house?

Mr. Fulton: I most certainly did not.

Mr. Gardiner: It was the issue of the campaign.

Mr. Fulton: I do not know what the purpose of the hon. minister's question is, but it shows that he knows as little about the political atmosphere in British Columbia as he does about agricultural conditions there.

Mr. Gardiner: Mr. Speaker, I know plenty about both and my hon. friend used all this information.

Mr. Fulton: Let me tell the minister that what he states is not so, and—although I know that others are not particularly interested in this—I will say for his benefit, that neither my campaign nor, so far as I know, the campaign of any other Conservative in British Columbia, was carried on on the basis just described by the minister. It is of course the minister's purpose to distract attention from the fact that one of the members who support the government in this house has described what took place under a Liberal government, of which this government is a direct descendant, as an "epidemic of plunder and corruption", but those words will stand.

Yet when we suggest not that the Currie report has shown an "epidemic of plunder and corruption", but merely that the Currie report should be taken at its face value as demonstrating that there was a fundamentally loose situation with respect to the administration and control at the top level in the Department of National Defence, when we say, just take those words—very much more moderate than the words used by the member for Cariboo—at their face value, and go on from there and try to see what can be done to remedy that situation, we are accused of making arguments for political advantage. We are accused of gross exaggeration and it is stated that we are taking a minor incident at one camp and trying to make a major issue of it.

Mr. Speaker, I think that the member for Cariboo has done a great service to this parliament and this country by placing this matter in its proper perspective. Surely no members on the government side, unless they deny completely the accuracy of what has just

been said by one of their own supporters, can now be heard to say that Mr. Currie's report was not fair, reasonable and accurate in the words he used to describe the situation which he found—or to deny that—it is now a certainty that if what went on in this administration as described by the member for Cariboo is correct, then the situation described by Mr. Currie is established as fact.

That brings us very directly to what I think this house should devote its attention to—a twofold question. Firstly, where does the responsibility lie for the situation which the Currie report disclosed and what is to be done about that responsibility? Secondly what is to be done to clear up the situation which that report describes? It is significant and disturbing that, in connection with this matter of where responsibility lies, the government still seeks to evade its ultimate responsibility in connection with conditions which exist in the administration of the department—where there is such a laxity of control that these events could take place. It is true that the Minister of National Defence (Mr. Claxton) says that he accepts responsibility. But, Mr. Speaker, those words themselves, not followed by action on his part or on the part of anyone else, mean nothing. Simply to say, "I admit responsibility", and then to continue a situation which is exactly the same as it was before makes the words and the utterance of those words a completely meaningless gesture.

When we consider this question of responsibility it is most important to recall what Mr. Currie's report establishes so clearly, namely, that this was not a situation about which the minister had had no chance to inform himself and no chance to take remedial action. On the contrary, it was a situation about which he could have been and should have been fully informed long in advance of the time when it actually came to his attention.

The situation revealed by the Currie report is a most serious and complete indictment of the administration of the Department of National Defence. That department is concerned perhaps more vitally than any other not only with the security and welfare of Canada but also with the economic well-being of the country—because of the fact that it spends approximately half of all the money which is now being taken from the Canadian people as a result of the huge burden of taxation they are called upon to bear. Yet, when this house is discussing a matter of this importance, a matter where the responsibility so clearly rests with the government—and the whole government—we find that the Prime Minister (Mr. St. Laurent) does not even bother to speak in support of his own resolution. Surely, it must be unique in the annals of this parliament, Mr. Speaker, or of any parliament, for the leader of a government, which is under such justifiable criticism on the subject of its lack of protection of public moneys, to move, without any explanation at all concerning that situation, a resolution which he knows will launch a thorough discussion of the whole question—indeed, a resolution designed for that very purpose—but to give it only a nod of the head; and to think that the people of the country would be satisfied with that fleeting show of interest. Yet that is what happened. Oh, it is true that the Prime Minister was yesterday provoked into speaking on an issue completely irrevelant to the main matter before this house and before the country, that is, the question of how this extraordinary situation arose and what is being done to deal with it or prevent its recurrence in the future. On that subject the Prime Minister was, and still is, completely silent.

When we consider the question of responsibility for this situation, and the denial of responsibility by the government, it is well also to remind ourselves of the attitude first shown by government supporters when the report was tabled in the house. You remember that attitude, Mr. Speaker. I do not think there is a member in this house who will not recall with a sense of shame that it was an attitude of seeking an immediate scapegoat, and it found expression in the words of the members on the government side blaming the "brass hats". We all remember the disgraceful and degrading efforts of government members to suggest that the army staff alone was responsible for this situation and, by seeking to make that staff the scapegoat, to relieve the Minister of National Defence and the government of a responsibility which was justly theirs.

I think that the house and the country will recall with interest an article which appeared in the press on December 16. It was written by a correspondent for whom I have the greatest respect as a well-informed member of the press gallery, and a responsible writer. But it is well known by all that he happens to be a member of the gallery who is particularly close to influential and well-informed sources within the Liberal party. I refer to Mr. J. A. Hume, the parliamentary correspondent for the Ottawa *Citizen*. In an article

in the evening *Citizen* of December 16, under the heading "Findings anger Liberals", he said this:

> The Currie report on lax administration by the Department of National Defence and works services branch of the Canadian army has aroused the chagrin and anger of Liberal M.P.'s.
>
> A long standing distrust of defence department "brass hats" has been revived and with it suspicions of lack of energy, alertness and waste and extravagance of some of these officers.
>
> The fear that billions in tax money has been improperly administered in peacetime is felt—

I may interject that it may well be felt, and it might well be treated more seriously by some hon. members on the other side in this house.

> —and with it embarrassment that similar huge sums were handled during world war II without any misdemeanours being uncovered.

Those misdemeanours have, of course, just now been uncovered by the revelations made by the hon. member for Cariboo here today.

> Government supporters are depending on the Prime Minister and the cabinet to demonstrate to those lax in their responsibilities that inefficiency and perhaps worse will not be tolerated by the taxpayers.

Well, Mr. Speaker, if government supporters were, in fact, depending upon the Prime Minister and the cabinet to demonstrate that attitude, how disappointed they must have been. In that respect, they would share the disappointment of members of the opposition because the prime responsibility stems right through from the Minister of National Defence to the cabinet. But the whole government has refused to accept responsibility, and nothing has been done. Of course, this article was referring to the hope then felt by the Liberal members of this house that this anger would be taken out on the brass hats, as they were calling the senior staff officers, and members of the army generally. That is what they were hoping. Some of them appear finally to realize the unfairness of that attitude.

For this situation does not involve criticism of the army itself. This situation, as is made so clear by the Currie report, stems from a fundamentally loose control at the top levels of departmental administration. The responsibility for that, Mr. Speaker, rests only in one place and that is on the minister of the department and through him on the government of this country.

Just in passing, Mr. Speaker, some reference should be made to the statements of General Simonds. I want to make it clear, to emphasize and re-emphasize, that there is, on the part of the official opposition, no criticism of the army for this situation. The responsibility rests on the failure of departmental administration to function properly at the top. While I believe that General Simonds pursued an unwise and incorrect course in making the statements that he has made, I am very definitely of the opinion that he may have felt that he was forced to do so by the fact that no one on the government side said what should have been said immediately, namely, that the responsibility rested on the government at the ministerial level, and not on the staff. He may have felt himself forced into making this statement by the fact that no responsible government member came forward to say what is true, namely, that the responsibility for this situation is at the very top level.

You will recall, Mr. Speaker, when this improper and shameful campaign was being carried on in the house which suggested that brass hats were responsible, the government benches maintained complete silence. This suggestion was condoned by the Prime Minister and all the members of his cabinet by their silence.

Mr. Fulford: On a point of order, Mr. Speaker, and just to get the record straight, the Minister of National Defence (Mr. Claxton) has taken responsibility. He was not here when this matter was first brought out, because he was doing NATO work.

Mr. Fulton: But the Prime Minister was here, and others, but nothing was said. I should also draw to your attention now that the government is so uninterested in this matter, and so little prepared to assume the responsibility which properly rests on its shoulders, that there are three—I was going to say three but a fourth has just come into the house—ministers present at this time.

An hon. Member: That is because you are speaking.

Mr. Cruickshank: They have nothing to listen to.

Mr. Fulton: Neither of the ministers responsible for the defence department is in the house during this debate.

Mr. Gardiner: May I inform my hon. friend —I know he does not want to be unfair— that there is a council meeting going on which, of necessity, had to be held this afternoon. Perhaps the three of us who are here should be at the council meeting instead of listening to this nonsense.

Mr. Fournier (Hull): I walked out of the council chamber—

Some hon. Members: Sit down.

Mr. Speaker: On a question of privilege.

Mr. Fournier (Hull): I walked out of the council chamber one moment ago just to listen to my hon. friend.

Mr. Fulton: I can well understand—

Mr. Cruickshank: You are wasting your time here.

Mr. Fulton: I can well understand that the remarks being made would be unwelcome enough to the Minister of Agriculture. But if there is anything in them which is nonsensical, I think that in a matter of this seriousness and importance it would be more appropriate, if I may suggest it, that the minister, rather than just make that broad and unfounded assertion, would advance his own views and demonstrate why the views now being advanced are, as he describes them, nonsensical.

Mr. Gardiner: If I think there is anything worth while in the remarks to answer, I will answer them.

Mr. Fulton: I suggest that the minister may do that in his own time, and that in fact this matter is important enough to justify more than the type of interest which the Minister of Agriculture (Mr. Gardiner) has just demonstrated he takes in a matter of this seriousness.

Mr. Cruickshank: Talk sense, not nonsense.

Mr. Fulton: Mr. Speaker, there are some people to whom, unfortunately, sense will always be nonsense.

Mr. Cruickshank: It is too bad that the hon. member did not get the British Columbia leadership.

Mr. Fulton: This particular effort on the part of government members to deny the government's responsibility and, somehow or other, to fix responsibility on the army, and particularly to suggest that those who criticize the government on the basis of this report are criticizing the armed forces, has unfortunately been continued by the Minister of National Defence (Mr. Claxton) himself. But he does it in a more subtle way. In his speech the other day dealing with this matter, he showed himself to be an extremely subtle gentleman indeed. You will recall, Mr. Speaker, that he suggested that to make criticisms on the basis of the Currie report is to criticize the armed forces. This is the way in which he did it. As reported at page 932 of *Hansard* the minister said as follows:

> Perhaps I have been overenthusiastic in the defence of the armed forces against what I felt to be unjustified charges, and sometimes I may have been overoptimistic; but it is pretty hard to work with the armed forces of Canada without having high admiration for their fine record of achievement and without having faith in their capacity to do what is expected of them.

Mr. Speaker, with that statement as it applies to the armed forces, we all agree. What we go on to say is that it is unfortunate that the country is not as well served at the top level of departmental administration as it is by its soldiers, sailors and airmen in the services. But notwithstanding this attempt to suggest that those who criticize the government on the basis of the Currie report are criticizing the armed forces themselves, parliament should not allow itself to be led away by this attempt at diversion by association. Parliament should continue its direct criticism of the situation which prevails at the top in the department and which permitted this situation to arise.

Then further in assessing this question of responsibility, it is important to observe that there were many opportunities to discover the situation and to take effective action earlier in order to remedy it. I am not going to read again that portion of the report found at page 712 of *Hansard* where Mr. Currie makes it so clear that the minister and his immediate associates had plenty of opportunities to realize that there was this laxity in control. I refrain from doing so because it has been quoted frequently in the house. It can be found at page 712 of *Hansard*. However, what I want to emphasize is this. In addition to the frequent reports made by the department's own chief auditor, the official opposition had repeatedly requested an opportunity to examine the whole question of the efficiency of the Department of National Defence and the matter of its control of the moneys which it was spending to prepare the defences of this country. We had repeatedly asked for a committee of this house on defence. Your Honour will recall that that request was not met until last year when a committee with extremely limited powers—and one whose powers were further limited by the attitude taken by its chairman, supported by the government majority on that committee—was set up. It was not until last year that such a committee was appointed.

It is interesting to note what the Minister of National Defence himself said in reply on those previous occasions when we requested that such a committee be set up. As I say, we had asked for it nearly every year until it was first granted last year. I have taken only some extracts from three successive sessions of this house and here we find the Minister of National Defence on those occasions admitting his responsibility and the responsibility of the government for everything—not just for some things, but for

everything—that went on in the Department of National Defence. Here is what he said as reported at page 2323 of *Hansard* of April 4, 1949:

> We have responsibility, through parliament, to the people, and we face that responsibility every day.

And a little later:

> I say it is a fundamental concept of our constitution that we meet parliament every day, answer questions, deal with problems of administration. We are responsible through parliament to the people—

"We, the government", in the minister's own words, are responsible for matters of administration. Again, as reported at page 1946 of *Hansard* of November 18, 1949, answering the request for a parliamentary committee he said this:

> In other words ultimately this parliamentary committee in effect would have to do with the management of our defence forces and their administration and planning, as is the case in some ways in the United States, rather than that being done ultimately, as it is now in Canada, by the cabinet itself, with a responsible minister.

I ask you, Mr. Speaker, to note those words:

> —the management of our defence forces and their administration and planning . . . by the cabinet itself, with a responsible minister.

Again, on March 14, 1950, as reported at page 757 of *Hansard*, the Minister of National Defence said:

> Here the members of the government are appointed because the party they represent holds a majority in the House of Commons. They meet parliament every day. They are responsible collectively for the exercise of the functions of government, and they are responsible through parliament every day to the people.

It is therefore obvious, Mr. Speaker, that in 1949, 1950 and all the preceding years, on every occasion when we asked that parliament should be given the opportunity to look into the question of departmental administration, the minister refused it on the ground that he and he alone and his cabinet colleagues were responsible for these matters of administration, and he gave us the assurance that everything was perfect in that respect. How different is the tune today. Does the minister now accept the responsibility? Does he now say that and prove it by acting in accordance with his words?

Mr. Cruickshank: He said that yesterday.

Mr. Fulton: The hon. gentleman is a little bit impatient and perhaps a little bit hard of hearing.

Mr. Cruickshank: The hon. member is making statements that are not correct.

Mr. Speaker: Order.

Mr. Fulton: Perhaps the hon. member is a little bit hard of hearing. I have drawn attention to the fact that the minister had said the other day "I take responsibility," and just how meaningless those words were. What about his cabinet colleagues? And what is he doing about that responsibility?

An hon. Member: He told you.

Mr. Fulton: What is he doing about that responsibility? How is the minister discharging his responsibility to make sure that those events cannot recur? I shall have something to say about that matter in a moment when I come to the question of what is being done to cure the situation which this report reveals. But the minister now seeks to take refuge behind the fact that the job of managing his department is too big. As reported at page 939 of *Hansard* of January 13 he had this to say by way partially of excuse of what had gone on:

> Naturally it is not possible in an operation of this size for these reports or correspondence to be handled or even seen by the minister, or for that matter even by the deputy minister himself. It is only the really serious cases that the deputy minister can be expected to review personally.

But, Mr. Speaker, that does not alter the fact that the minister nevertheless is responsible for the organization of his department, and that the government is responsible if the minister does not handle that organization properly, or if he does not tell them that the department has grown too big for one minister to control. And the government are doubly responsible if, when it is suggested that the department has grown too big, they do nothing about it. It is well known, Mr. Speaker, to you and to all other hon. members, that for a period of a year or more the suggestion has been made from well-informed sources that the task of handling and controlling the Department of National Defence had grown too big for one minister. The government are doubly responsible because, with that knowledge, they did nothing and allowed this situation to develop.

It is no excuse, either, to say it is too big for one minister, because they knew that or should have known it, and it is particularly no excuse to say, my staff—whether the civil service or the armed forces—did not tell me what was going on. Because whether the staff in that sense be civil or military, Mr. Speaker, the responsibility is the same. The responsibility is that of the minister at the head of the department, not that of the staff.

Because the matter has come up I want to quote an authority in reference to what the Prime Minister said about the position of the chief of the general staff in making statements, as well as in connection with this whole question of responsibility for the situation which the Currie report reveals. The authority I am referring to is the work

entitled "The British Constitution" by Professor Jennings, one of the best-known authorities on that subject, who says at page 143 and following:

> The responsibility of ministers to the House of Commons is no fiction, though it is not so simple as it sounds. All decisions of any consequences are taken by ministers, either as such or as members of the cabinet. All decisions taken by civil servants are taken on behalf of ministers and under their control.

I pause, Mr. Speaker, to interject that in this connection the military heads are in exactly the same position as the civil service in connection with defence matters and the administrative set-up of the Department of National Defence. Professor Jennings goes on:

> If the minister chooses, as in the large departments inevitably he must, to leave decisions to civil servants, then he must take the political consequences of any defect of administration, any injustice to an individual, or any policy disapproved by the House of Commons. He cannot defend himself by blaming the civil servant. If the civil servant could be criticized, he would require the means of defending himself. If the minister could blame the civil servant, then the civil servant would require the power to blame the minister. In other words, the civil servant would become a politician. The fundamental principle of our system of administration is, however, that the civil service should be impartial and, as far as may be possible, anonymous.

Mr. Cruickshank: Will the hon. member permit a question?

Mr. Fulton: I regret sincerely that I cannot. My time has practically expired, and I would prefer, if I may, to continue without interruption.

One has only to remember that in this connection the military, in their relation to the minister in matters of departmental administration, and in matters of that kind, are in exactly the same position as the civil servants to realize the important implications of that principle:

> The fundamental principle of our system of administration is, however, that the civil service should be impartial and, as far as may be possible, anonymous.

Therefore, Mr. Speaker, we are left with the question: What is the Prime Minister going to do by way of accepting the responsibility which rests upon him for this extraordinary, this serious situation, which the Currie report has disclosed? What is he going to do to discharge the responsibility not only to the House of Commons but to the people of Canada, the taxpayers of Canada, whose money is thus being wasted and who are without any assurance that steps are being taken, and will be taken, not only in the works services department reported on by Mr. Currie but in the other branches of the Department of National Defence, to make sure that these situations will also be cleared up? I maintain, Mr. Speaker, that the Prime Minister owes an apology to the taxpayers of Canada, firstly, for allowing this situation to develop, allowing money to be wasted, and secondly, for taking so little interest in the matter as he has shown so far in the course of this debate, and for taking no effective steps to deal with that situation.

What do we see? There is no sign that action is to be taken. The Minister of National Defence says that there is not even a breakdown. He criticized Mr. Currie. In a most extraordinary passage in his remarks on page 939 of *Hansard* he says:

> The breakdown to which Mr. Currie referred was, after all, a breakdown—if it was a breakdown—in keeping accounts, and not a breakdown in providing services and doing the essential work for which the army works services exists.

What an extraordinary defence to the Currie report to say that this breakdown, if it is a breakdown, is not a breakdown, although it is a breakdown of accounting. What does the minister think that accounting methods are set up for but to protect the financial interests of the people of Canada and to control the administration and the location of the property which their tax moneys have purchased? Then the minister says that the irregularities do not matter anyway. He takes defence in the fact that an army is not a Sunday school and soldiers are not saints. He says at page 942 of *Hansard*:

> There are in this house a great many veterans of the two wars. They know, and the veterans all over this country—and there are a lot of them—know, and I think the public has a pretty good idea too that an army is not a Sunday school and soldiers are not saints.

The minister should remind himself that veterans—and there are a good many of them in this house and throughout the country—are also taxpayers. Veteran taxpayers will not be very much impressed by the minister's arguments that these irregularities do not matter, that the fact that their money is being squandered, wasted to the extent permitted by a fundamentally loose system of administration at the top levels of the department, does not matter because armies are not Sunday schools and soldiers are not saints. The veterans and taxpayers of this country will not be satisfied with inaction; they will want a continuation of the investigation which Mr. Currie has shown himself to be probably the most highly qualified man in Canada to undertake, and they will want action to rectify maladministration where it may be disclosed to exist. They will not be satisfied with what the government offers them, a reference to a

committee, a review of a review, to have the Currie report referred to a committee—and that by way of an amendment introduced by a member of the government to the government's own motion.

What an extraordinary situation, typical of the government's inability to act to clean up this whole situation. The Prime Minister introduced a motion, which stood on the order paper for many days, indeed, over the Christmas recess. We all knew its purpose. Certainly, the government knew its purpose. They had lots of time to think about it, and yet, when it is introduced in this house, when the time comes to discuss it, the Prime Minister, with that extraordinary indifference which he has shown in this matter, as though he were a superior being standing on a lofty pedestal, with naughty grandchildren running around his feet, really no concern of his—

Some hon. Members: Oh, oh.

Mr. Cruickshank: You are from British Columbia; don't be as low as that.

Some hon. Members: Order.

Mr. Cruickshank: "Order", my foot! That is pretty low, coming from British Columbia.

Mr. Fulton: So he merely gives it the nod, and leaves it to somebody else to speak in support of his own motion. And then we find the extreme of indifference in that that minister, one of his own colleagues, introduces an amendment to his Prime Minister's motion that the committee should review the Currie review. What a most extraordinary spectacle—a government going all ways at once. They are trying to ride too many horses, and riding them in opposite directions. That is a situation which will not give satisfaction to the people of this country—

Mr. Cruickshank: Every horse has two ends.

Mr. Fulton: —who wish to see some assurance that their tax dollars are spent wisely. They will not be satisfied by the spectacle of a government too complacent to be consistent, too arrogant to explain its inconsistencies, and too weak and confused to know where it is going. But the people of Canada know what they want.

Mr. Cruickshank: Yes, they showed that at the last election.

Mr. Fulton: And they will show you at the next. They want to see an investigator who has shown his qualifications, as has Mr. Currie, given a free hand to continue that investigation into the Department of National Defence and its administration, so that he may bring to light further ways in which the money of the taxpayers can be saved, and then action taken to implement his recommendations so that we may know that we will get a dollar's worth of defence for every dollar that is spent.

Mr. Cruickshank: Thank God we haven't too many Rhodes scholars.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I intend to make no attempt to analyse the Currie report, or to discuss that whole matter, serious as it may be. As a matter of fact I had my inspiration for saying a word or two at this time from the speech made last night by the hon. member for Mackenzie (Mr. Ferrie).

It is not likely that that gentleman would flatter himself that anybody would pay any particular attention to his speech. However, he did devote a certain amount of attention to me, and therefore his speech holds some interest for me at least.

It is fortunate that the house has its lighter moments, and I think we experienced one of them when the hon. member spoke last night. Amidst the serious business and the frustrations of debate in the house, with which we are bedevilled, we do need a member, like the hon. member for Mackenzie, who will make a speech occasionally and give us cause for laughter.

During the greater part of his speech I was attempting to understand what he meant. However, his words, like his comprehension, seemed vague. I shall give the house now a sample of his logic. I would direct the attention of hon. members to what appears at page 1049 of *Hansard,* because I think they will find it interesting. It would seem that the hon. member for Mackenzie is interested in psychology, because he makes an analysis of myself and two of my more important colleagues. This is what we find in *Hansard*:

Mr. Ferrie: Let us analyse these three gentlemen.

The three gentlemen are my honoured leader, the hon. member for Rosetown-Biggar (Mr. Coldwell), the hon. member for Winnipeg North Centre (Mr. Knowles), and myself. He refers to me, at one point of his speech, as "one man in Saskatoon"—and that is an interesting title. He said:

Let us analyse these three gentlemen. One of these gentlemen read it.

The "it" refers to that mysterious copy of the report which, one way or another, came into our hands. Then he goes on:

The hon. member for Saskatoon (Mr. Knight) read it.

That is a bald statement, I must point out, a statement with no attempt to produce evidence to support it.

The hon. member for Saskatoon (Mr. Knight) read it—

And then, this is the logic.

—because he is reported in the Saskatoon *Star-Phoenix* as having said that the member for Winnipeg North Centre (Mr. Knowles) was the man who threw the bomb into the Liberal party.

That, sir, is his idea of logic. As I said last night, I did not use the expression that Mr. Knowles, or anybody else, had thrown a bomb into the Liberal party because, as I said yesterday, that was not necessary. It had already been done, by themselves—by a bomb which exploded among them, at their own feet, and which is causing the disintegration of this government, and of the Liberal party upon which it is based. That surely is evident, and becomes increasingly clear during the course of this debate.

However, to go back to what my hon. friend said—and this caused me some amusement, because I was interested in how he distinguishes the various characteristics of the professions. He said that there were four classes of men who never betrayed a confidence, and listed them as doctors, chartered accountants, lawyers and bankers.

These, said he, were all pledged to secrecy.

Then he comes forth again, with the kind of logic to which I have already referred, and says that because Mr. Currie is one of those who, as it were, are sworn to secrecy, and yet allowed some information in the form of a report to leak out of his office, therefore Mr. Currie and the whole report must be condemned.

I am flattered by the hon. member's reference to me. He even dignified me by allocating to me some promotions. This is what he said:

The hon. member for Saskatoon (Mr. Knight) was also a teacher and is supposed to be a professor.

Well, I did not like to interrupt him, but I could have said that I have never been promoted to that high degree of eminence. It flattered me, nevertheless, when he referred to me and to my leader as ex-school teachers. Referring to the hon. member for Winnipeg North Centre he used the word "preacher", and suggested that a man of that type, of that high calibre, knew that the report should have been sent back immediately.

He said at one place I should have sent the report back to its place of origin.

The one man in Saskatoon—

Says he—

—according to his statement, must have read the document.

[Mr. Knight.]

And so, in line with his logic, the man from Saskatoon should have sent the report back. He neglected, of course, to mention one trifling matter, one which I suggest is relevant to the argument, and that is that in the first place the man from Saskatoon does not know the origin of the report; the man from Saskatoon has not even yet read the report; and the man from Saskatoon saw it only once—and that at a distance, in the hands of the hon. member for Winnipeg North Centre. Of course, that is just a trifling detail to the hon. member for Mackenzie.

Then there was the interesting matter of the bombshell. Mr. Knight, according to the *Star-Phoenix*—and this appears to be the view of my hon. friend—is reported to have said that the hon. member for Winnipeg North Centre threw the bombshell into the Liberal party.

Let me say that I did make a speech in Saskatoon. Let me say to my hon. friend that it was a well attended meeting of very interested people. What I was doing was simply describing the dramatic situation which took place in the House of Commons. I said that the throne speech debate was dragging along; nobody was paying too much attention. And then, suddenly, into that lethargic situation my hon. friend threw a bombshell—the bombshell, of course, being the disclosure of the report which at the moment he had in his hip pocket. But there is no reference whatever to throwing bombshells into any party.

Mr. Smith (Moose Mountain): Was it stolen?

Mr. Knight: That is a sample of what took place in connection with the bombshell.

Mr. Ferrie: Why did you say that a bombshell was thrown, if you had not seen the report and did not know anything about it? You say you were ignorant of the fact that it was in existence. Yet, why did you say anything about the bombshell?

Mr. Knight: My hon. friend has simply misinterpreted my words—

Mr. Ferrie: Oh, we always do, according to you.

Mr. Knight: —as he misunderstood the meaning of them last night. Before my hon. friend came into the house I had just pointed out that he was somewhat weak in logic when he says that I must have read the report. Forsooth, because I said that my hon. friend had thrown a bombshell into the quietness of the house. I submit that my hon. friend's statement is not logical. In any case, I have just explained the incident and if my hon. friend will read *Hansard* tomorrow perhaps he will be able to understand it.

I come now to more important people and I want to say a word or two about the Prime Minister (Mr. St. Laurent). I speak more in sadness than in anger in regard to the Prime Minister. I do not care to what party he may belong, the prime minister of this country is my prime minister. I expect the prime minister to have dignity, honesty and integrity; I expect a degree of culture and a degree of dignity. I thought that he fulfilled those conditions and I have been trying to think it today. I have often so maintained, even among those who are his political enemies and upon the public platforms of this country. I had placed him upon a pedestal. I think those who have heard me speak in public will endorse that statement. I am most reluctant to knock him off that pedestal. I have not knocked him off that pedestal; he has of his own volition stepped down to a lower level than that on which I had placed him.

When he stepped down into the mud he entangled his feet in the mire that has entangled the feet of lesser men. When he stooped to pick up a handful of mud to cast at the hon. member for Rosetown-Biggar (Mr. Coldwell) the only result was, not that the mud remained upon the recipient but that some of it stuck to the hands of the thrower.

Mr. Studer: Better get washed up.

Mr. Knight: Except for the notable speech which he made last night, the hon. member has made a name for himself in this house chiefly through the medium of vulgar interjection. No man in this country can throw mud and make it stick on the hon. member for Rosetown-Biggar. The hon. member has served his country in this house for many years. He is known to all of us as a man of unquestioned integrity and honesty.

I am reminded of an attempt of this sort which was made once before when my Liberal friends across there cast their eyes at the floor in shame at a speech which was made in this house by the hon. member for Yorkton (Mr. Stewart). Even though that matter had been burning in his mind and heart for twenty years, even if it was the result of old feuds and old spite, it was no more true on that account.

Mr. Ferrie: Mr. Speaker, on a question of privilege—

Mr. Knight: Is my hon. friend asking a question?

Mr. Deputy Speaker: The hon. member is speaking on a question of privilege.

Mr. Ferrie: —I think it is most unfair to speak of a member who is so sick that he cannot come here today to defend himself.

Mr. Knowles: What was the Prime Minister doing yesterday?

Mr. Knight: Mr. Speaker, perhaps the hon. member for Mackenzie has not been long enough in the house or sufficiently observant to know that in these cases we do not speak personally. I am speaking now of a member of the Liberal party who undertook at one time to let loose a diatribe against the hon. hon. member for Rosetown-Biggar of which Liberal members in the house were particularly ashamed. As far as I am concerned, if the hon. member for Yorkton is sick, I am sorry to hear it. I wish him good health and every other good thing and I trust he will be quickly restored to this house. But that does not alter the fact that, while we do not engage in personalities, we are concerned at the moment with the breakdown of the government of this country.

If I can bring that to the attention of the people of this country so that they will change the government, then I am justified in doing what I am doing. There is a lot of talk in this country to the effect that we of the opposition groups are glad to take advantage of any point in order to make political capital at the expense of the government. What would you expect us to do? I say to the right hon. Minister of Agriculture (Mr. Gardiner), a gentleman whom I respect: If you were sitting in opposition on this side, what would you and your cohorts be doing? Is it not the proper function—

Mr. Gardiner: May I ask a question in view of the fact that I have been referred to?

Mr. Knight: Wait until I have finished my sentence.

Mr. Gardiner: In view of the fact that I have been referred to—

Mr. Knight: May I finish my sentence?

Mr. Deputy Speaker: It would appear that the hon. member who is now speaking is not giving his consent.

Mr. Knight: If in the course of showing the failures and inconsistencies of this government, if in the course of propounding constructive and alternative policies to the government of the day, we of the opposition parties can win the good will of the people of this country and gain for ourselves a few votes and ultimately replace the government which we are now criticizing, is there any blame to be attached to us? Is not that one of the immemorial functions of an efficient and vigilant opposition?

Mr. Gardiner: May I ask a question?

Mr. Knight: I should like to deal with one other thing and perhaps when I am finished the right hon. minister will not want

to ask any questions. I should like to say a word or two about the late Mr. Mackenzie King, and I do not intend to say anything derogatory about that right hon. gentleman.

Mr. Fournier (Hull): Is this in order on a motion to set up a committee?

Mr. Knight: I shall say nothing against the late prime minister. *De mortuis nil nisi bonum.* If you can imagine that he succeeded as he himself was sure he would succeed, in being able to communicate as it were between two worlds, I can see him shaking his head in sorrow and shame at the actions—

Mr. Fournier (Hull): On a point of order. This house is discussing a motion to set up a committee to examine national defence expenditures and I submit the hon. gentleman is out of order.

Mr. Knight: On a point of order.—

An hon. Member: Horses.

Mr. Fournier (Hull): I have no objection to horses.

Mr. Deputy Speaker: If the hon. member for Saskatoon (Mr. Knight) wishes to speak about certain decisions made or positions taken by the former prime minister, it is probably in order. I do not think he wants to do anything else.

Mr. Knight: What I propose to do, and it is relevant to the question, is to show what the former Prime Minister would have done in this particular instance which, may I say, he would not have allowed to occur or at least to reach the stage it has. I can see him in my imagination out behind the curtains, shaking his head at the political ineptitude of his successor and his cabinet.

Some hon. Members: Temper, temper.

Mr. Knight: What would he have done? Although I have never yet been at a cabinet meeting—

Mr. Dewar: You never will be there, but you can dream.

Mr. Knight: I can see him at the head of the table with that stubby little pencil writing the first draft of the resignation of the Minister of National Defence (Mr. Claxton) as soon as these things came out, as soon as there were reports of inefficiency and maladministration in this Department of National Defence. That resignation would have been written out and my hon. friend the Minister of National Defence would have been asked to sign it. Then the late prime minister would have gone out and chopped off the two top heads of the army administration. Then he would have come into this house and made the speech of his life.

Mr. Dewar: That is the first thing they do in Russia.

Mr. Knight: He would have said that he had personally saved this country from military rule. He would have said that no military authority must be allowed ever to have influence on the civil rule of this country. He would say that he had saved this country, and then he would have done what this government has not the courage to do. He would have dissolved this house and gone to the country and won an election, something that this government knows it cannot and will not do.

Some hon. Members: Hear, hear.

Mr. Deputy Speaker: Order.

Mr. Knight: I shall simply close my remarks by saying that the Currie report is a terrible indictment of this government; and that no whitewashing in the committee or anywhere else will cover up the dark shadows. The committee which the government propose to set up is not to investigate the crime but to investigate the investigator. Let the government go to the country now, and the public will decide.

Mr. Gardiner: I said that I still wanted to ask a question when my hon. friend finished. Have I his permission to ask it now?

Mr. Knight: Certainly.

Mr. Gardiner: Mr. Speaker, for my own benefit, and I think the benefit of some others, I would like to be clear on one point.

Mr. Knight: Is it a question or a speech?

Mr. Gardiner: It is a question—perhaps two but one anyway. Are we assured that the leader of the C.C.F. party would have followed exactly the same procedure which was followed by the hon. member for Winnipeg North Centre (Mr. Knowles) in connection with this matter? The whole argument is based on the idea that the leader of a party is of a particularly high type politically. Does the hon. member for Rosetown-Biggar (Mr. Coldwell) take responsibility for all that is being said with regard to this matter? He has not been in the house at all since it came up.

Mr. Knight: Mr. Speaker, as I say I do not know too much about the details of the incident.

Mr. Dickey: You have proved that, but answer the question.

Mr. Knight: That is what I propose to do. The right hon. minister has asked me, as I understand it, if the member for Winnipeg North Centre has followed the same course that the member for Rosetown-Biggar would have done had he not actually been ill, but had been in the house. Is that right?

Mr. Gardiner: It was the reverse, but either way will do.

Mr. Knight: It is the same thing. My answer is that as a member of our caucus I know that the member for Winnipeg North Centre has been in constant consultation with the hon. member for Rosetown-Biggar and has received his approval—in most cases ahead of time—for those subjects on which the hon. member for Winnipeg North Centre was to talk in this house.

Mr. Gardiner: Might I ask a second question?

Mr. Knight: No.

Mr. Gardiner: I wish to ask a second question as a result of the answer received to the first.

Mr. Knight: I submit that the minister has no right—

Mr. Dewar: Don't be afraid.

Mr. Knight: I am not afraid. Let him make a speech; he has forty minutes.

Mr. Deputy Speaker: If the hon. member for Saskatoon (Mr. Knight) does not wish a question to be asked, it is his privilege.

Mr. Gardiner: Well, it is my privilege to make a speech and I have the floor for the moment.

Mr. Deputy Speaker: Order.

Mr. Knight: I am asking you, sir—

Mr. Deputy Speaker: How can I hear anything if I have two members standing on the floor of the house both trying to speak? I recognize the member for Saskatoon.

Mr. Knight: I am asking you, sir, for a ruling, as Speaker of this house, whether the Minister of Agriculture has the right to ask that a question be put on the record when I refuse to answer.

Mr. Deputy Speaker: The hon. member for Saskatoon had the floor. When he resumed his seat after concluding his speech he agreed that the Minister of Agriculture might ask one question. That question was asked.

Mr. Knight: And answered.

Mr. Deputy Speaker: Now, as a result of the answer which was given, the minister requests permission to ask another question. To this request the hon. member for Saskatoon answered in the negative. The minister pursued his attempt to put his question or to obtain consent from the hon. member and the latter persisted in refusing. Now the minister says that if he cannot ask a question he is entitled to make a speech.

However, I am confronted with this position. Before the hon. minister rose the hon. member for York West (Mr. Adamson) stood and asked to speak. Is he going to speak or is he going to yield to the minister?

Mr. Adamson: I wish to speak.

Mr. Deputy Speaker: Very well.

Mr. Rodney Adamson (York West): This rather amazing debate in which we have the spectacle of the Prime Minister (Mr. St. Laurent) calling the leader of the C.C.F. party a receiver of stolen goods and the hon. member for Winnipeg North Centre (Mr. Knowles) his fence, rather suggests from what has already happened that he, the Prime Minister, like Laocoon, is becoming entangled. I trust that his fate will not be that of the Greek of old.

An hon. Member: What about Confucius?

Mr. Adamson: Confucius merely played a musical instrument. He did not throw a spear even at a wooden horse.

Now, Mr. Speaker, what is a defence committee for? Surely we must consider that it is to investigate, examine, question, and if necessary advise the government and members of the Department of National Defence, both in and out of uniform, on the vital problems of the defence of Canada. If we in this parliament, and as members of the defence committee, do not do a job in this regard we are not fulfilling our duty to the country and to those who elected us.

My objection to this proposed amendment by the Minister of National Defence (Mr. Claxton) is that it shows that the government has a conception that we are called on to fight a limited war. This is suicide for Canada. The one overwhelming and dynamic fact, unpleasant as it may be, is that we must be prepared to fight an unlimited war. There is no such thing in the modern world as a successful limited war.

Mr. McCulloch: On a question of privilege, Mr. Speaker, I do not believe the hon. member is supposed to be reading his speech. He should be adhering to the rules of the house.

Mr. Adamson: I am not, of course, reading my speech. For the aggressor to be successful, the war must be unlimited. Let us not fool ourselves that the Russians do not realize this. Russia has always lost limited wars and always won unlimited ones. She knows this and did not forget the lesson of the Russo-Japanese war, which the Japanese unfortunately did.

I contend that the job of a defence committee is to deal with the whole broad problem of national defence, and not to be hamstrung

by having to concentrate on one small non-combatant branch of one service. The Currie report has been made. The facts are known. The report deals with a series of matters and has some serious implications, yet the sums admitted by the minister are small compared with the over-all cost of defence which approximates $2 billion this year.

The Minister of National Defence (Mr. Claxton) complained that to provide guards for a place like Farnham would cost a great deal more than the value of the place so guarded. Now, he has admitted that the Currie report established defections of some $50,000. Actually Mr. Currie, in his report, stated that the amount of defection and thievery could not be adequately and completely calculated, and it might be greatly in excess of this.

Let us assume that the minister admits the $50,000. He is sending this report, which is past history and every word of which has been investigated, to the defence committee. The defence committee sits once a day. The cost of one sitting of this parliament is in the neighbourhood of $10,000. Therefore to send this report to the defence committee is to add at least $10,000 a day to the cost of the investigation. Now, Mr. Speaker, a similar situation might be the case of a man who has had a bad accident. He has a broken leg, a ruptured appendix, a coronary thrombosis, a blood clot on the brain, a gunshot wound in his back, and an ingrown toenail. When the doctor comes, the doctor deals with the ingrown toenail first. Something similar to that is being done by sending the Currie report to this committee.

Mr. Currie mentioned also the case of military security. It is impossible to place a dollars and cents value on military security. When a department store loses goods from its warehouse, there is a finite and calculable value of the goods lost. The theft of a piece of military equipment, which may have little or no commercial value, could disclose methods which our armed services intend to use in combat as well as the type of equipment to be employed. If information like this is compromised it may cost the lives of many Canadian servicemen, and also the loss of a future major operation. It is quite wrong, therefore, to regard military security only as a dollars and cents matter.

It is useless to say that security cannot be provided. The atomic energy commission in Chalk River has provided adequate security, and the area is extremely large. I am convinced also that no one but an atomic scientist could obtain much useful information from Chalk River. However, a 15-year-old boy picking up a proximity fuse, an unexploded bomb, a guided missile or a new type of shell, could quite easily give our enemies a great deal of information about our production methods and the type of weapons we were using.

War is a hideous waste, but this waste of our capital and materials becomes even more hideous if it does not produce the sinews of war which will enable our men to fight and win. To fight and not win is far worse than not fighting at all. Let us look, therefore, at our arms production and particularly our production of aircraft.

The policy of the Canadian government with regard to air is a purely defensive one. It is Canadian policy not to have bombers but to concentrate on interceptors and fighters. This decision takes into consideration our industrial capabilities, and possibly has some merit. With the cost of some of the new bombers being as great as pre-war battleships, it would probably place too great a strain upon our economy to expect Canada to produce large numbers of the latest type bombers. Yet the logistics of the decision could, I feel, have been profitably discussed by the chief of the air staff or his technical officers with the defence committee. If we are, therefore, producing an air force which, apart from an anti-submarine section, has the sole function of stopping enemy bombers, we had better look at the sort of job we are doing.

Our defence is based on two aircraft, the F-86 Sabre and the CF-100, both of which are good aeroplanes. According to a press story this week the F-86 is being produced at the rate of approximately forty a month at the Canadair plant in Montreal. The CF-100, we are told, was to be produced by this time, that is January, 1953, at the rate of twenty a month at the Avro plant at Malton. The production figures for the Sabre have been made known and published, but not those for the CF-100. What I think the committee should know is how many CF-100's have actually been produced and are being produced per month at this time. Have we, in fact, produced twenty from the production line—not from the special hand-tooled assembly line, but from the actual production line? There can be no question of security here as the figure for the Sabre is given quite openly in the press. The only reason for withholding the information with regard to the CF-100 can be that the production figures are shocking.

There is an even more serious question in the matter of production, and that is the question of effectiveness. The modern bombers such as the Avro 698 or the new Boeing or the other United Kingdom type called the Monarch are all capable of speeds approaching that of sound. Their effective operational

altitude is from 40,000 to 50,000 feet. Therefore, to intercept them, we must have an aeroplane which can climb to those altitudes and fly at and maintain speeds considerably in excess of that of sound. Neither of the two fighters we have at the present time can do this, and they would be practically useless as effective barriers to such bombers.

The United Kingdom and the United States now have these delta-winged craft. How long will it be before Russia has them? We cannot safely count on over five years. What are we doing to design and construct a fighter with the characteristics necessary for successful combat? If our sole aim in the air is to be protective, surely it is fundamental that we should have some idea of what sort of protectors we are going to have. Is it not the function of any defence committee to be informed—yes, to demand to be informed—about such a basic matter?

I feel that no parliament can divest itself of the responsibility for national defence. The old days of the professional soldier are over. Today every citizen is part of the defence of his country, and the better he is informed the more effective he can be. These basic problems therefore must be discussed and studied.

I suggest that men like Air Marshal Douglas Smith, the air member for technical services, with his engine and airframe specialists, and Dr. J. J. Green, as well as Dr. Solandt, could most profitably come before the committee.

The design, construction and production of such a plane with a mach. rating of 1·3 to 1·5 is a difficult problem because it will require an entirely new profile and new engines. It could possibly take up to eight years to get one into production. We have known of the Avro 698 probably for at least two years, that is if there is any liaison between the R.A.F. and the R.C.A.F. Have these two years been wasted, and the job of providing a counter to this aircraft not yet begun?

I mention these figures about aircraft because they strike at the very fundamentals of the job of providing national defence for this country. If the committee on national defence is to do anything, it must see that the country gets adequate national defence. Otherwise of what use at all is it? Why should it be called? If it is to see that we get adequate national defence it must deal with these problems—technical ones, if you like—such as the basic one of whether we can produce aircraft which will do the job of protecting us and our allies from attack.

In the committee we have to see whether this is being done. There is no question of security. The people of Canada must understand the difficulties of the job ahead. We have been given too much soothing syrup in the past. We have been treated with a sort of continuous effusion of Dr. Pangloss that everything was perfect in this most perfect of all worlds. If the Currie report has done nothing else, it has opened the eyes of the Canadian people at least to the dangers of national defence and the problems which lie ahead. There should be no excuse for any committee on national defence not going into these problems.

Mr. Harris: Who is delaying it?

Mr. Adamson: The minister is delaying it by the device of putting the Currie report before the committee on national defence. He is delaying it every single day, as we were delayed last year in the committee.

I now come to another question which must be given consideration and must be decided. I refer to the question of ordnance. The policy followed has been to divest ourselves of United Kingdom type artillery, in particular the 25-pounder. We were told that, for the sake of unification of arms, we were to send our 25-pounders to NATO countries, which we did, and to be supplied with United States 105 millimeter guns. We divested ourselves of the 25-pounders—enough for three divisions, I think. When our troops went to Korea, because of United States policy we found that there was a critical shortage of ammunition. Instead of our own gunners having our own guns and our own supply lines for ammunition, we found ourselves to be hostages to United States policy. The tragic reports of two rounds per day per gun, which have been authenticated over and over again, are a result of this policy.

Mr. Knowles: Five o'clock, Mr. Speaker.

Mr. Adamson: I shall be through with this matter in just a minute, Mr. Speaker. This question of artillery and the question of the unification of arms were decided by the government without any discussion with the committee and, in my opinion, it has led to tragic results.

Mr. Deputy Speaker: It being five o'clock, the house will proceed to the consideration of private and public bills.

PRIVATE BILLS

Mr. Deputy Speaker: On the order paper I note that, as items No. 45 and No. 46, there are two bills which have been reported by a standing committee of the house. Shall I take the two in the same motion? Is it agreed that the two bills, one respecting Interprovincial Pipe Line Company and the other to incorporate Peace River Transmission

Company Limited, be considered at the same time in committee of the whole?

Some hon. Members: Agreed.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 41, respecting Interprovincial Pipe Line Company.—Mr. Bennett.

Bill No. 42, to incorporate Peace River Transmission Company Limited.—Mr. Murray (Cariboo).

SECOND READINGS—SENATE BILLS

Mr. Deputy Speaker: There are several divorce bills on today's order paper. Shall they all be taken under the one motion?

Some hon. Members: Agreed.

Mr. H. W. Winkler (Lisgar) moved that the following bills be read the second time:

Bill No. 94, for the relief of Jane Louttit Dormer.—Mr. Winkler.

Bill No. 95, for the relief of Roger Loiselle. —Mr. Winkler.

Bill No. 96, for the relief of William Oscar Gilbert.—Mr. Winkler.

Bill No. 97, for the relief of George Magner. —Mr. Winkler.

Bill No. 98, for the relief of Teodora Szablity Szentirmai.—Mr. Winkler.

Bill No. 99, for the relief of Arthur Piche. —Mr. Winkler.

Motion agreed to and bills read the second time.

DIVORCE JURISDICTION

EXCHEQUER COURT TO HAVE JURISDICTION IN ACTIONS ORIGINATING IN QUEBEC AND NEWFOUNDLAND

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. 3, to provide for the jurisdiction of the Exchequer Court of Canada in matters of divorce.

He said: Mr. Speaker, as the house will realize, this bill is identical in form to one which I have moved on two or three previous occasions. The purpose of the bill is to free parliament from the necessity of processing divorce bills. I am sure it is correct for me to say that no one in this house likes or approves of the fact that we are handling divorce in this parliament of Canada at all.

I readily recognize the opinions that have been expressed on former occasions about divorce, and as to whether or not the passing of this bill would seem to be an acceptance of the fact of divorce; but I would point out that, whether we like it or not, we already have a divorce court in Canada for people in those provinces where there are no provincial divorce courts. The provinces concerned of course are Quebec and Newfoundland. I for one respect the desire of the majority of the people in those provinces that there should be no divorce within the confines of those provinces.

It seems to me, Mr. Speaker, that we in this parliament also have certain rights. In particular I feel that we have the right to be free from the necessity of constituting ourselves as a divorce court. I am sure that we are not proud of the manner in which we conduct our court proceedings when we become a divorce court. As a matter of fact unless some of us, particularly in this group, choose to make an examination of these cases, they go through in batches. We have not really got into high gear yet, so far as this session is concerned. If my arithmetic is correct, I believe that so far we have given second reading to only 74 of these divorce bills. However, we did 38 of them at one crack, 30 at another, and just a few moments ago we gave second reading to six more. As the session goes on this number will probably amount to 250 or 300, if the records of former sessions are any indication.

Now, as I say, Mr. Speaker, the fact of the matter is that we have in Canada, here in the parliament of Canada, a divorce court, to which persons of the provinces where there are no divorce courts have access. Hon. members concur in that fact every time these divorces are put through in this House of Commons. It seems to me that it would not be altering that situation by one iota, so far as principle is concerned, so far as recognizing the fact of divorce is concerned, if we were to decide, on the one hand, that we are not going to establish divorce courts in the provinces where they do not want them—the fact of the matter is we could not do it, but let it be clear that we do not want to—but on the other hand, let us exercise what is our undoubted right to transfer the handling of these divorces out of this parliament, out of this building, and put them into some other court, some other building, right here in the city of Ottawa. In other words, my suggestion is that the place where this job is done should be transferred from this building to another building a few hundred yards away, at the same time making it crystal clear that we do not ask that this be done within the boundaries of the provinces where divorce courts are not desired.

It is on that basis that I make again, through the medium of presenting this bill, the suggestion that the Exchequer Court of Canada be given authority to deal with divorces from the provinces where divorce courts are not established.

As everyone knows, the exchequer court is for most, if not all, of the rest of its functions a circuit court. That makes it possible for it to sit in various parts of Canada. To make sure that if this bill passes the exchequer court would not sit within the provinces of Quebec or Newfoundland when hearing divorce cases, there is a section in the bill which provides that the Exchequer Court of Canada, in dealing with divorce cases, would do it only here at the city of Ottawa. In other words, Mr. Speaker, there is clearly no change so far as the basis of divorce is concerned. There is no change so far as the accessibility of a divorce court to citizens in those two provinces is concerned. The only difference is the place where these people would go who are faced with what they feel to be the unfortunate necessity of seeking a divorce.

I recognize, Mr. Speaker, that on former occasions there has been strong criticism of this bill by some hon. members, and on one or two occasions we have had a vote and it has been defeated. There has not been much change in the make-up of this house since the last vote, and I do not suppose that one should expect a radical enough change in opinion that on this occasion the bill would pass. However, I hope that by continuing to bring this measure before the house, sufficient attention and consideration will be given to it so that, one of these days, a way will be found to deal with divorces which is less reprehensible and less offensive to all of us than the manner in which we are now doing it.

I suggest that if there are those who feel that the procedure here suggested, of referring divorces to the Exchequer Court of Canada, is not a satisfactory one, an obligation and responsibility rests upon them either to stand in their places and say that they are satisfied with doing it here in the House of Commons, or to suggest some other way.

It is not often that when a member moves second reading of his own bill he suggests to other hon. members a procedure other than that of simply voting for it. But, knowing how hon. members feel about this question of divorce, I would not feel at all badly if someone were to move, as an amendment to my motion for second reading, that the bill be not now read a second time but that the subject matter thereof be referred to a committee. It would indicate at least some progress if an amendment of that kind were moved and carried, because it would make it possible for us to go into this matter in detail, and to have a thorough discussion as to what would be the best way of solving a problem which, I am sure, is felt deeply by all of us.

This is not a question of where we stand on divorce, or whether we approve of it. As a matter of fact, no one really approves of divorce. There are some in the house who feel that under no circumstances should it be entertained. There are others who disapprove of it just as much, but who face the fact that there are situations where there seems to be no alternative.

And so I say I would welcome the reference of this bill, or even the subject matter of it, to a committee so that it might be discussed fully. I am not going to offer any such amendment. I could not, in any case. And let me make it clear at once that I have not done what was done by the government the other day; I have not arranged for one of my colleagues to move an amendment to my own bill. But if anyone who is interested in the matter feels that that is a suggestion worthy of consideration, let me say to him that I would not object to that procedure. In other words this is not an issue of the kind one wants to see resolved in line with his way of thinking, and his way only. Rather I believe I am doing a service to parliament in bringing before hon. members of the house a suggestion dealing with a problem which concerns all of us. I hope it will be looked upon in that spirit, and that we will consider whether on the one hand the bill should be passed and consideration of divorces referred to the Exchequer Court of Canada or, if that is not acceptable to the house, at least that its subject matter should be referred to a committee so that serious consideration may be given to this problem.

Hon. members will recall that at the close of the last session I gave the house some statistics as to the amount of time we had spent considering divorce cases. All told, the aggregate of time so spent has been considerable. However, when it is divided among the number of divorces we deal with it amounts to only a few seconds for each divorce put through this parliamentary divorce mill.

Hon. members will recall that I have given a picture of the tremendous pile of printing involved, so that if one stacked up all the copies of divorce bills and evidence prepared for us, and for members in the other place, it would make a pile considerably higher than the peace tower. Add to that the fact that these cases involve matters that surely are not the business our constituents sent us here to deal with, and I am sure it is

fair to say that all hon. members would like to get rid of this business from the House of Commons.

I earnestly hope the house will give serious consideration to finding a way to implement what is the desire of all of us. I believe the solution contained in the bill is the best one; I have not heard a better one. Therefore from my point of view I would like to see the bill passed. But if there are those who feel that there should be some discussion, and that some better way could be found, I should like to hear from them. At the moment, however, I place the bill before the house in the hope that serious consideration will be given to it.

(Translation):

Mr. Andre Gauthier (Lake St. John): Mr. Speaker, I wish to assert immediately that I am strongly opposed to the bill moved by the hon. member for Winnipeg North Centre (Mr. Knowles) because, in my opinion, it would facilitate applications for divorce and increase their number, especially in the provinces of Quebec and Newfoundland.

I take that stand because my conscience compels me to do so and because I want to justify the confidence placed in me by the people of Lake St. John county who, thank God, still consider marriage indissoluble and the home sacred.

Before speaking on the merits of the bill before the house, I would like to say a few words about divorce itself. As a Catholic I am opposed to divorce. I am against it for reasons of a religious, social and family character. Marriage is a divine institution that cannot be dissolved by human justice. Our civil law, sanctioned by the constitution of 1867, asserts that marriage is indissoluble.

The family is the moral structure of the nation and every citizen must consider it his duty to resist any attempt to weaken the cornerstone of society, to oppose any measure which might undermine the very foundation of the Canadian nation. Statistics show that countries with the lowest birth rates are also those where divorce flourishes and the first victim is the child who is consequently deprived of the enjoyment of a home where harmony prevails, where husband and wife respect each other, where good example and the practice of sound Christian virtues are to be found.

The Prime Minister (Mr. St. Laurent), summing up the situation, said in this house, on March 24, 1944:

> In Quebec not only is there no jurisdiction to deal with divorce, but there is a pre-confederation law which was continued in force by the British North America Act, and which will remain in force until this parliament chooses to deal with it, as it has jurisdiction to do under section 91 of the British North America Act. This pre-confederation law declares that marriage is dissolved only by the natural death of one of the spouses. Whatever the authority you set up, as long as this law holds good in that province, no court will be able to grant any divorce.

The confederation act gives the federal government the right to legislate in so far as divorce is concerned. For obvious reasons, none of the lawmakers who have succeeded one another since 1867 has deemed it proper to enact a general divorce law. Every petition for divorce submitted to parliament is an exceptional case. The legislator retains his absolute right to accede to or to refuse the petition of the person who wishes to obtain a divorce.

From a legal point of view, it would be an entirely new situation were we, through general legislation, to delegate our powers to the exchequer court. It would be the admission of the principle at stake and the interested parties would no longer have to seek passage of an exceptional bill, to seek a privilege, but would go to a court of law to claim, with due proof, the exercise of a right, of an absolute right enjoyed by every citizen of this country. There is no doubt that the federal parliament has a right to hand over to the exchequer court divorce bills for Quebec or Newfoundland.

But if it were to do so, we would have in our statutes two conflicting texts, the one authorizing the breaking off of the marital tie, the other, that is section 185 of the civil code, proclaiming the indissolubility of marriage; faced with the obligation of making a choice, I do not hesitate to decide in favour of the application of the principles of divine right which were sanctioned by our civil law long before confederation.

Those who favour divorce courts seem to entertain a mistaken view of marriage and the law pertaining to it. Marriage is not a mere personal question, but a public one also. It concerns the prosperity of the nation and its effects may have far-reaching social consequences; that is why the lawmaker must be careful when preparing any measure tending to condone the granting of divorce.

The law must be concerned with the common welfare and not merely with the practical side of things. The sponsor of the resolution or those who support it tell us that they were not elected to pass divorce laws, but the federal parliament has had jurisdiction in this matter ever since 1867 and it is their privilege to vote in favour of such bills, as it is mine to oppose them.

If the people of Quebec and Newfoundland are opposed to the establishment of divorce courts, why do the representatives of the other provinces seek to force this system on them?

Finally, I should like them to understand that they will not succeed in having accepted a divorce court for the province of Quebec, because in my opinion, such a measure is anti-social, anti-Christian, and directed against the family, and the remedy will not be found in the establishment of a court, but in the suppression of divorce itself. That is why I shall vote against any divorce bills presented in this house and against any measure such as this, which tend to condone it.

Mr. P. L. Dube (Restigouche-Madawaska): Mr. Speaker, every session we are faced with a number of divorce bills which we are supposed to pass or to reject.

Mr. Speaker, I am expressing my personal opinion and that of my constituents in congratulating those members who have protested against the institution of a divorce court in those provinces which, up to now, have refused to insert such legislation in their statutes. You have spoken for a logical and sensible cause. Did not our gracious Princess, who has now become our beloved Queen, addressing a group of 3,600 mothers, tell them that divorce has become a dangerous scourge of society?

Here are the words which Princess Elizabeth spoke in London on October 18, 1949:

(Text):

"We live in an age of growing self-indulgence, of hardening materialism and of falling moral standards. I would go so far as to say that some of the very principles on which the family, and therefore the health of the nation, is founded, are in danger.

When we see around us the havoc which has been wrought above all among the children by the break-up of homes, we can have no doubt that divorce and separation are responsible for some of the darkest evils in our society today.

I do not think you can perform any finer service than to help maintain the Christian doctrine that the relationship of husband and wife is a permanent one, not to be lightly broken because of difficulties or quarrels."

The princess urged the mothers to help others give their children that "sound Christian teaching which is essential to us all, but which is sadly lacking in so many homes today."

"As we all know", she said, "a child learns by example and therefore it is not only most important for us to see that our children say their prayers and go to church, but also to practise Christianity in our own lives. We surely cannot expect our children to do what we are too lazy or indifferent to do ourselves."

(Translation):

There we have, Mr. Speaker, the advice given to her subjects by a young mother who was then 22 years of age and is now our sovereign and Queen of a great empire. Her advice is as sound as it is excellent and it shows great foresight for a person of her age. She wisely unfolds before us the disaster that divorce has in store, not only for those who claim legal separation but also for a whole nation.

It is not surprising that there is so little understanding between nations. In my opinion, if we want peace, we must begin by having it in the family. When we have learned to love one another, to respect one another, man will no longer seek to separate what God has united.

In closing my remarks, I would add that while the world is allowed to go to ruin, we must be strong enough to fight against the current. Let us be the bold defenders of family life. Let us make other people understand the grandeur and beauty of the Christian marriage. We shall thus help ensure, in a constructive way, the prosperity of our country, the happiness of our brethren and the salvation of the whole Canadian nation.

Mr. Armand Dumas (Villeneuve): Mr. Speaker, several hon. members have repeatedly criticized in the house the manner in which we deal with divorce bills. However, many of those who criticize that procedure believe that it is yet the better way of dealing with them and that we should not change it.

Soon after the opening of this session, as during the previous sessions, a bill was introduced which, according to its mover, would aim to correct a situation that does not please anyone, that several would like to do away with but that many prefer to tolerate. The bill would enable the exchequer court to pass judgment upon applications for divorce from the provinces of Quebec and Newfoundland which, according to the law as it now stands, must be dealt with by the upper house.

I have listened to and read with great attention the numerous speeches on the matter. It is only reasonable to expect that the majority of those speeches should be made by members from Quebec and Newfoundland.

Mr. Speaker, I have yet to hear a representative of those provinces say that he approves the bill as it now stands. That means that the parties concerned do not want it. Have we not there sufficient grounds for insisting that the provinces concerned be given the right to decide for themselves whether they want divorce courts or not.

Divorce Jurisdiction

Upon reading debates of previous years, one finds that several members are of the opinion that under our legislation it seems that divorces may be too easily obtained. Consequently, many young people get married without giving enough thought to what they are doing. They marry without due consideration, thinking that if things go wrong it will be easy to remedy the situation; people get the idea that they will be able to obtain a divorce easily and start over again. Unfortunately, in several cases, the husband or the wife, and often both of them, have already been married two, three or four times if not more often.

Even then, I say that the passing of this bill would not be justified. On the contrary, I hold that divorces could then be more easily obtained in the provinces concerned.

The hon. member for Winnipeg North Centre (Mr. Knowles) said in this house that we might be called upon to grant a considerable number of applications for divorce, 250 maybe. As a matter of fact, in the years gone by, applications for divorce which have been granted by us have reached approximately that figure on the average.

On the other hand, according to statistics, in the province of Ontario, for instance, applications for divorce reached 2,400 in a single year. With due allowance for the difference of population between Ontario and Quebec, one can easily imagine what would be the number of applications for divorce in the province of Quebec if we were to pass an act setting up a divorce court in that province.

One must bear in mind that divorce is fatal to the family. The hon. member for Lake St. John (Mr. Gauthier) made this point very clear. We are all agreed that the family is the pillar, the cornerstone of civilization.

I would like, Mr. Speaker, to quote a few lines from the collective pastoral letter of Their Excellencies the archbishops and bishops of the civil province of Quebec on the labour problem, under date of February 14, 1950:

> Man is born, grows up and is reared in a family, which he leaves only to get married, to give birth and education to other human beings.

It may be that since the last world war young married couples have had many reasons to want a divorce, but the passing of the bill now before us will not provide us with a solution to the problems which beset these unfortunate young couples.

What I have just said is borne out by another excerpt taken from the pastoral letter I have just mentioned. I quote:

> During the last war especially, young girls, married women and even mothers were attracted by industrial or business occupations. They found there an opportunity to get their share of prosperity and thus forget the hard times of many years of unemployment. Even after the war, a great many of them have carried on their work, either because they were money-greedy, or because they found it necessary to supplement an all too meagre family income. The results have been a lowering of standards, as far as paternal authority, marital faithfulness, domestic harmony and stability of family principles are concerned; and yet those are the things which have safeguarded our people's integrity and which should always be considered as the basic factor of the prosperity and moral strength of every nation.

If there exists some means to enforce the laws, I am all for it. But within our reach, there is a much more efficient method; I refer to the education of children and young people. When children are very young, their parents assume the easy task of their education; but with the passing of years, they are often left to their own devices. Why should we not demand with some insistence that our educators drill into the minds of our young people the deep meaning and the importance of marriage and of the responsibilities it implies, that is to say to teach them what are the duties of married couples.

Mention has already been made in the house of those clubs which offer courses to those who wish to prepare themselves for matrimony. Those courses are intended for young men and young girls. Such a method of education should be popularized among our young people.

This week, in a church here in Ottawa, I learned that lectures would be given to those who are engaged, in order to teach them the Christian principles of marriage. We must teach these young men and these young women the true meaning of marriage. The calling of the married woman is such a noble one; she must be a good wife and a good mother. The married man plays just as noble a part, for it is he who must protect the family and earn its livelihood.

Mr. Speaker, I repeat that the way in which the divorce petitions from Quebec and Newfoundland are heard is unpleasant, it is repugnant to a great many people and there are some who assert that it is to be condemned. But that is no reason to replace it with another method which would produce still worse results.

The number of divorces is already too high in these two provinces; we should not contemplate a system which would only increase it.

Never shall Quebec accept the principle of divorce. The mover of the bill and his friends imagine that they have hit upon the right solution; they are convinced that this

legislation can, in no wise, affect the religious beliefs or the rights of the provinces concerned.

But this is just where they are mistaken. At the present time, the exchequer court is not authorized to hear divorce cases from Quebec and Newfoundland, unless some bill like this one allows it to do so. If the bill were adopted by parliament and became part of our statutes, it would lay down a rule according to which, in Quebec and Newfoundland, marriages might be broken on grounds of adultery. It would thus imply a recognition of the principle of divorce and of the dissolution of marriage—a thing which no real Catholic could accept with a clear conscience.

Quebec's civil code stipulates that only death of one of the spouses may release the other from the promises exchanged during the marriage ceremony. This legislative text supersedes all other texts, including the British North America Act.

When the provinces affected wish to recognize divorce, they can take the necessary steps. I declare that our mission is not to impose upon them a measure which they do not want.

The majority of the population of Quebec is against divorce but there is a minority which wants to have access to divorce. The rights of that minority have not been encroached upon and it does not deem to have been discriminated against, for, since 1867, it has the right to petition parliament for a special act granting the right to a divorce.

I believe that this minority should not be deprived of this right; that is why I believe we must maintain the present procedure, however reprehensible it may be.

I am strongly opposed to the adoption of the bill introduced by the hon. member for Winnipeg North Centre.

(Text):

Mr. Knowles: Will the hon. member permit a question? Could he say in what way the handling of divorce by the exchequer court would be any more offensive to the views of the people of Quebec, or any more offensive to the British North America Act, than is the handling of divorce session after session here in the House of Commons?

Mr. Dumas: Mr. Speaker, I shall say to the hon. member that by agreeing to the passage of this bill we would recognize divorce.

Mr. Knowles: You recognize divorce three hundred times every year.

Mr. Dumas: This procedure is permitted by the British North America Act. It has been recognized, and is the law, that wives and husbands can come to the other place and explain their case. A bill can then be sent here. Since 1867 this privilege has been extended to those who want a divorce. In the case of Quebec it is a privilege of the minority, and this procedure is the only way we can protect the rights of the minority.

Mr. Maurice Boisvert (Nicolet-Yamaska): Mr. Speaker, I had no intention of taking part in this debate. In doing so I am sure of one thing, and that is that the hon. member for Winnipeg North Cnetre (Mr. Knowles) has not a copy of my text, because I have none. I shall speak in French about this very important matter which concerns Quebec. I am opposed to this legislation, and the hon. member knows quite well why I am opposed to it.

(Translation):

First, as far as the principle of the bill is concerned, section 2 states as follows:

> The Exchequer Court of Canada hereinafter referred to as "the court" shall have jurisdiction to entertain an action for dissolution of marriage from a person domiciled in the province of Quebec . . .

We are opposed and always will be opposed to the dissolution of marriage, because it destroys the most essential element of our society, the family. Dissolution of marriage wrecks not only the home but the family, upon which rests the kind of society in which we live and wish to continue to live.

The family has been defined—and I know that my hon. friend from Winnipeg North Centre (Mr. Knowles) is a Christian, like the rest of us—as a society based upon natural law and formed according to a God-made pattern for the reproduction of the human race.

I do not have to demonstrate that divorce has become a plague in every country of the world. In contributing to the increase of divorce we are not rendering any service to society and the family.

Let us examine the figures given in the Canada Year Book for 1951. Before 1900, divorces in this country averaged approximately twenty a year. For instance in 1918, we see that there were 114 divorces in Canada, and 608 in 1926. We also see that in the province of Quebec, 177 divorces were granted in 1945; 290, in 1946; 348, in 1947; and 292, in 1948.

On the other hand, considering the number of divorces in provinces where divorce is granted by a court of justice, we find in Ontario 1,940 divorces, in 1945; 2,639, in 1946; 3,509, in 1947; and 3,107, in 1948.

We also find that divorces are granted by the thousands where special courts have been set up, while in the provinces where divorce

is still under the jurisdiction of this parliament, the number is so much lower that it should open our eyes.

Therefore, to be logical, my learned friend would have to admit that the bill of which he is the sponsor would lead to an increase in divorce cases in the province of Quebec proportionate to the one recorded in the other provinces.

Now, since we are opposed in principle to the dissolution of marriage in the province of Quebec, we do not wish to make any step in a direction which would likely increase divorces in the province where we live; in fact, if we could even legislate in such a way as to restrain the number of divorces in the other provinces, I think we would render a service to the whole country in helping the Canadian family which has to be assisted, protected and defended by the governments of this country.

There is another reason why we must, we from Quebec, object to divorce under any disguise, before all courts of justice and even before this parliament. It is that in the province of Quebec, under our civil code, it is recognized that marriage is indissoluble. Therefore, if we adopted a federal legislative measure which would conflict with the provisions of our civil code, we would be treading upon very dangerous constitutional ground.

We know how much we had to fight to protect the autonomy of the provinces. We know that, in all our provinces, people wish for an ever-increasing autonomy.

We try to respect the autonomy of the provinces, and were we to pass the legislation introduced by the hon. member for Winnipeg North Centre, we would have in the province of Quebec a constitutional conflict which would not make for Canadian unity nor for the good relations which should exist between the provinces and the central government of Canada.

If my learned friend could convince this parliament that his bill would bring about a decrease in the number of divorces, I am sure he would find in the province of Quebec supporters for the legislation he puts before this house year after year. But so far he has failed to say, let alone to prove, how such legislation could bring down the divorce rate in the province of Quebec.

On the contrary, every time our learned friend speaks to the house on this matter, we can hear, in the other provinces, some people asking that grounds for divorce be made more numerous and divorce easier. The legislation suggested by my learned friend is such as to give hope to those who entertain these ideas. It is more difficult to go before parliament than before a court of law.

In conclusion, Mr. Speaker, I wish to quote what the Right Hon. Prime Minister of this country (Mr. St. Laurent) said on this subject. I am quoting *Hansard* for June 20, 1950, page 3891:

> The matter to be dealt with consists of a fundamental declaration of the law and that is why the hon. member who introduced this bill took the precaution to declare that the exchequer court would have jurisdiction and would have the right to dissolve a marriage. That, however, would be legislating for the province of Quebec. It would be within the power of this parliament, but still it would be legislating on a matter which is extremely distasteful to the large majority of the people of that province.

To sum up my remarks I would say that on the question of principle I am opposed to this proposed legislative measure which is again being introduced by the hon. member for Winnipeg North Centre in order to facilitate the dissolution of marriage. As a citizen of the province of Quebec and in view of the laws under which we are governed in that province, I am opposed to this bill and I shall vote against it if it comes to a vote.

Mr. Wilfrid LaCroix (Quebec-Montmorency): Mr. Speaker, I have listened attentively to the superb speeches delivered by the members for Lake St. John (Mr. Gauthier), for Villeneuve (Mr. Dumas), for Restigouche-Madawaska (Mr. Dube) and for Nicolet-Yamaska (Mr. Boisvert). They have made use in this house of arguments which, from my personal viewpoint, are irrefutable.

The member from Nicolet-Yamaska has established, with adequate proof, that the creation of a divorce court placed under the jurisdiction of the exchequer court would bring about an increase in the number of divorces in the province of Quebec; my colleague has based his thesis on statistical data, referring to the number of divorces granted in other Canadian provinces which have their own divorce court. If you care to study this data for a while, you will see that the divorce petitions from the province of Quebec, which are directly addressed to parliament, are those of immigrants who have just entered Canada and are imbued with ideas prevailing in certain parts of Europe. Only very occasionally is it possible to find among the divorce petitions from Quebec a few submitted by people who have long been residents of the province. Most of the petitions are signed by newcomers who are not familiar yet with the traditions of our old province, and who do not know about the things which have built up the strength of our ethnical group.

When New France was ceded to England, there were approximately sixty thousand French-speaking Canadians. There are now more than four million of them. This increase has been made possible by the respect we have held for our family and our religious traditions. These traditions of ours are dear to us because they are based on common sense and on the undeniable fact that a nation reaches its fullest maturity only if it shows respect for the fundamental cell of any society or any country, that is, the family, as one of my colleagues was saying a few moments ago.

An examination of the explanatory notes printed alongside the text of the bill the hon. member for Winnipeg North Centre (Mr. Knowles) has introduced shows that—

It merely transfers the hearing of divorce petitions, in the case of persons residing in these two provinces, from parliament to the Exchequer Court of Canada and it provides further that the said court shall hear such divorce cases only at Ottawa.

This is childish! It is well known that Ottawa is not far from Montreal, nor is it far from Quebec city. The adoption of such a bill would mean in principle the establishment of a divorce court for the province of Quebec on the border of that province.

I note that it is six o'clock and I end my remarks satisfied that I have prevented the passage of the bill.

(Text):

Mr. Speaker: The hour for private and public bills having expired, the house will resume at eight o'clock the business which was interrupted at five o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

DEFENCE EXPENDITURE

APPOINTMENT OF SPECIAL COMMITTEE

The house resumed consideration of the motion of Mr. St. Laurent for the appointment of a committee to examine defence expenditures and commitments, and the amendment thereto of Mr. Claxton, and the amendment to the amendment of Mr. Knowles.

Mr. Adamson: Mr. Speaker, before the debate adjourned at five o'clock for the house to consider private bills I was discussing the adequacy of our aircraft production, in view of the very special job which we as Canadians had elected to do, and I was endeavouring to point out the problem of producing fighter and interceptor aircraft which would be effective against modern bombers.

My point, and I wish to repeat it, is that I believe these matters, technical though they may be, involved though they may be, difficult of solution though they may be, are subjects with which this parliament, and particularly the defence committee, should deal. I think it was a defect of the set-up of the committee last year and, particularly in view of the amendment moved by the Minister of National Defence, more so this year, that the defence committee will be dealing with matters of expenditures, and more particularly with the misappropriation of sums of money. I am of the opinion that the job of a defence committee is to see to it that the defences of this country are adequate. We represent the people of Canada; we in this parliament have a responsibility which we cannot delegate to experts or others. While under the British system of government and opposition the executive must take responsibility for the decisions made, nevertheless those decisions and the reasons for them are a subject on which we, and particularly the committee, must share responsibility and must be informed.

In the United Kingdom there is a device by which a technical member of the armed services reports not only to the committee but directly to the cabinet on matters of a technical and operational nature which the British government has discovered is too much for the minister who has the political responsibility in the house to deal with. These questions which I am bringing up tonight are technical questions which should be dealt with on the technical level. It is unfair and unwise to expect the minister to have all the answers to all these questions.

We now come to the question of whether members of the defence services should speak, where they should speak and how they should speak. I believe that under our system, flexible as it is, there is a place for the technical members of the defence services to speak on these problems, and that is in the committee. It is for that reason that I have raised the question of the effectiveness of our air protection.

To deal with it in detail, these are the sort of questions which are asked me and for which I have no answer. My constituents feel that there should be some answers to them. With regard to the Avro I was asked: How seriously has the production lag of the

CF-100 affected R.C.A.F. training, and have our NATO squadrons been equipped with them? Much has been said about our NATO squadrons. The CF-100 is a particularly useful aircraft for that sort of service. Another question is this: Why have so many Canadian engineers and technicians left Avro, men such as Edward Aitkin, who was the designer of the CF-100 and the jet liner; Paul Dilworth and Winnett Boyd, designers of the Orenda engine; Richard Fairthorne, who was the industrial relations manager; John Berry, who was the director of manufacturing, and Elwood Butler, who was the treasurer. These men have all left this company which, if not our major producer, is at least our second largest aircraft producer in Canada.

Why has that happened? Why have these head men left, these technical men who helped to design and bring into early production one excellent engine, an extremely useful medium range commercial jet aircraft, and a very good long distance interceptor? Nearly all the original staff have left. My friends and those with whom I talk question me as to what is wrong with this concern. I have heard—and this is general talk—that there is considerable resentment, that the Canadian personnel are being supplanted by United States and United Kingdom personnel when the Canadian personnel did the pioneering and brought the three types of aircraft into production the whole way from the drawing board. I think the defence committee is entitled to an answer to the problem of Avro Canada. I am a booster of Avro Canada. We have produced three first-class pieces of equipment, the jet liner, the CF-100 and the Orenda engine. Yet what is the production? Why was the jet liner production stopped? There must be an answer. It is not a matter of wrongdoing; it is a matter of national interest. Probably hundreds of millions of dollars of the taxpayers' money have been put into this concern. What are we going to do about it? If we are to have a committee to look into defence expenditures, then surely this would be one of the first things we should inquire into.

This becomes especially true when right next door is de Havilland, where three types of aircraft have been designed. These are all Canadian types, and are known as the Chipmunk, the Beaver and the Otter. When I visited that plant the 421st Beaver was on the production line, being prepared for the United States air force. It is the only Canadian firm producing a Canadian-built aircraft for the United States air force. It is a firm that has sent aircraft to forty different countries; bear in mind that I am referring to de Havilland of Canada, not the parent company.

It has sent its product to forty different countries and eleven different air forces. Yet not one of those aircraft has been ordered by the Royal Canadian Air Force. What is the reason for this? The United States air force has paid the de Havilland company the compliment of stating that it is the only aircraft producer in North America that is up to date and on schedule in its deliveries.

Here is a Canadian company with Canadian personnel, using Canadian designs, Canadian engines, Canadian materials and Canadian workmen, and situated right next door to Avro, or at least comparatively near. Why on one side of the town line do we have this very successful aircraft company and, on the other side, an aircraft company which is constantly running into difficulty? Is it because of government interference?

These are matters which the defence committee should discuss. Let us consider Canadair, which is a subsidiary of the Electric Boat Company, now known as General Dynamics Corporation. Canadair is a very successful aircraft producer. Admittedly the company is producing aircraft of United States design with United States engines, and has open to it the advantage of a pipe line of United States machinery and instruments. For this reason it does not run into many of the difficulties confronting Avro. Nevertheless it is producing as was announced in the press at a rate of approximately 40 per month. Under the circumstances that is an excellent record.

It is also producing the T-33 trainer, which is a jet aircraft. Canadair is a private company. As a matter of fact when it became a private Canadian company I availed myself of the privilege of buying a few shares of its stock. Let me say that, even as a small shareholder in the company, I get infinitely more information about it than I do as a member of parliament or of the defence committee. I pay taxes and my constituents pay taxes to support this great company and pay for the production from it. Yet I, as a member of the defence committee, do not get as much information about details of production and the problems connected therewith as I do in the role of shareholder in the company.

Surely that is wrong, Mr. Speaker. This is one of the things the defence committee should consider, and one of the blind spots in our whole defence mechanism. There is no wrongdoing here, nothing like that. It is simply a matter of giving proper information, and having proper discussion of the problems with the people's representatives. We are supposed to answer to our constituents. We are not supposed to return to our homes and say that we are satisfied with what we

are told across the floor of the house by a minister and his deputy, who cannot possibly have all the details of the problem.

I earnestly hope that when the committee is set up the terms of reference will be broadened so we will know not only that the money being expended is adequately and properly expended, but that it results in fighting material which will be useful and effective. If we do not do that we are not only negligent in our duty, but it may almost be said that we are traitors to our cause.

For that reason I protest against the amendment by the Minister of National Defence (Mr. Claxton), which would confine the discussion in the committee to a matter which although serious has already been reported upon. Why not let the committee proceed immediately to a discussion of the real defence problems of Canada? Remember this, that last year Russia produced 22,000 aircraft and 63,000 aircraft engines. They were good aircraft, and good aircraft engines. We are not playing this game for marbles; we are playing it in deadly earnest. And if we do not produce an effective fighting machine we might as well wash the whole thing out, and surrender now.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, on December 15, and for a day or two following, we in this chamber had a somewhat unusual experience. For the moment—no, not for the moment; for two or three days—that spirit which we see across the gangway, and with which we are so familiar; that spirit which has been described in an old phrase becoming somewhat abused and a little hackneyed but still, I think, very descriptive, "that tranquil consciousness of effortless superiority" to which the government treats us so frequently—that, for the moment, was absent.

There was a considerable amount of hurrying to and fro. In plain words the Currie report had been a bit of a bombshell. The Prime Minister (Mr. St. Laurent) in his opening remarks took it very seriously. He did not pretend that he was not unhappy, and he spoke of it in terms which I think were calculated to make us all feel that it would be taken very seriously. Speaking of the report he said, as reported on page 640 of *Hansard*:

> In cases where action has not already been taken along the lines of such recommendations, the government and the department are acting with dispatch, and will give most urgent consideration to these recommendations.

So far that was good. I think we were entitled to believe that this was going to be taken seriously, but that did not last very long. It was not very long before the old self-satisfaction and what I can call only arrogance and disregard of the usually accepted rights of parliament were back and in full play. As a matter of fact, on the 15th itself that attitude was brought back from a rather unexpected quarter, by the Minister of Finance (Mr. Abbott), who is usually a man one can do business with and talk to in a reasonable manner. The Minister of Finance stepped out of his usual quality and put closure on us. I shall explain in a minute what I mean by closure. I think in fact that it was closure.

We had been debating the motion of the hon. member for Winnipeg North Centre (Mr. Knowles). The hon. member had spoken, and then the minister spoke in what I thought was a most reasonable manner. However, he gave no indication of what was to follow, and then at the end of his speech he said that he thought there was not any need of discussing this any further at the moment, and moved that the debate be adjourned. I managed, perhaps with a little forbearance on your part, Mr. Speaker, to ask him if he really did want to apply closure. But apparently he did; therefore that was—

Mr. Deputy Speaker: Would the hon. member state how he connects what he is referring to now with the motion before the house?

Mr. Macdonnell (Greenwood): I am just giving this as an illustration of the return of government arrogance to which I was referring. I was just giving this as a means of laying a foundation.

An hon. Member: It may be in the sand.

Mr. Macdonnell (Greenwood): That remains to be seen. I was saying that when you suffer an indignity or deprivation of your rights it does not really help you very much if it is done in a nice way. I remember reading an essay on murder in which the writer stated that he once knew a bulldog that murdered a brother bulldog "with pleasing circumstances of good taste." Nevertheless the bulldog was murdered. Our right to have that debate was murdered by the genial Minister of Finance.

That was on Monday night. As I say, after that there was a return of the old arrogance, and by Wednesday night it was back in full play. On Wednesday night we had a speech by the Acting Minister of National Defence (Mr. Campney) who took the line that this report did not cut much ice at all. He was in a pleasant mood and he philosophized. He said, among other things, "the fallibility of human nature is not confined to any particular class of people or any particular area."

I was surprised a minister of the government would admit that fallibility could be on both sides of the gangway, but at any rate he did say that, and then he went on to say that this was a relatively small matter. If by saying it was a relatively small matter he meant that these irregularities had been discovered in a small area of the operations of the Department of National Defence and that there was every reason to believe they had spread throughout the whole area; if he meant that it was a relatively unimportant matter by reason of the fact that we would find vast numbers of other irregularities, then I would be ready to agree with him. But I do not think that was what was in his mind. I think he was just trying to pooh-pooh the Currie report and suggest that really it was the naughty opposition that was making a fuss about nothing.

I think it has been said more than once on the opposite side that there was to be no scapegoat, but I think every attempt has been made to turn the opposition into a scapegoat. As has been said in this house in the last few days, when security is mentioned it is not the security of the nation but the security of the government. Therefore we must realize that there is a very genuine feeling in government circles—we must recognize it and face it—that when anyone tries to seriously criticize the government, to suggest that anything is wrong, it amounts almost to treason and that the people who do it are misguided and perverse.

Our good friend the Minister of Trade and Commerce (Mr. Howe) had something to say on this. He has been around a bit. He got down to Kingston where he spoke to his political buddies and said that really this report did not amount to so much, it was just a lot of lurid language. I think that was the phrase he used. He said it was simply blowing up and magnifying things that did not amount to very much.

That was on December 17. But by this time the press had begun to have something to say about it, even the friendly press, what some people might call the tied press, although I would not use that word myself. They began to show signs of discomfort. The Winnipeg *Free Press,* which always makes a valiant attempt to find whatever good can be found in this government, said things which indicated that they had a real feeling of discomfort. They said:

> Certain points in the Currie report raise such grave issues of public policy that immediate comment cannot be delayed.

And again in the same editorial:

> Neither excuses nor delays will suffice. The public will expect and must receive immediate and drastic remedial action.

[Mr. Macdonnell (Greenwood).]

It is not surprising that people were uneasy because after all the seed of the Currie report fell on fertile ground. There is not a single member of this house, there is really not a single person who goes about the country who has not heard story after story of serious extravagance in defence expenditures. One hardly knows what to believe and what not to believe. You know that a great deal of it must not be believed; yet when serious statements are made, such as were made in this house by the hon. member for Red Deer (Mr. Shaw) with regard to the air station in Alberta, and when the suggestions that he made have never been answered so far as I know, a situation arises in which it is almost impossible to know what not to believe. In other words, without much stretching of your imagination you are ready to believe almost anything.

As I said a moment ago, these mistakes, this chaos, this disorganization were widespread. The grave words which Mr. Currie used at the very outset of his report were such as to make even the most thoughtless stop and think. I should like to read briefly from the report as set out on page 712 of *Hansard* as follows:

> The conclusion I have come to is that, while there has been a general breakdown in the system of administration, supervision and accounting, it was only at Petawawa that extensive irregularities over a prolonged period of time took place.

A breakdown in the system of administration, supervision and accounting! Now we come to the speech of the Minister of National Defence (Mr. Claxton). Before he spoke he had the benefit of knowing what had been the reception of the report throughout the country. He had seen the fertile wit of the cartoonists in full play. He had read the strong statements in the press. As a result, the Minister of National Defence did not attempt to brush off this report. He suggested there were certain errors in it. He did it in a rather nice way. Although there was a rather considerable amount of what I can only call smearing of the report, nevertheless he made it clear that he had not taken it lightly and that he had already adopted a good many of the proposals and was going to adopt more.

His excuse in effect was a very simple one. The minister said that when there suddenly had come upon them the pressure caused by the war in Korea and so on, they found a great accretion of work and that they really had a choice between getting the physical work done—the buildings built and so on—and the carrying out of this construction with ordinary business prudence and ordinary business methods. He said in effect they were not able to do both.

It is only fair to say, and I wish the minister were here to hear me say it, that the minister had previously—notably in September of 1950, I think—given us a most glowing account of the work of the department. It was like a department made in heaven. There did not seem to be any defect of any kind that could approach it. Nevertheless the minister did say in this house last Tuesday quite frankly that certain things had had to be neglected. I do not suppose that the minister found it pleasant to say that. It was making a certain concession which the minister has not been very good at making. I say that it is very much as if the chief executive of a company had been given a job to do, had been authorized to go and make certain expenditures and so on, and had come back at the end of the time and said: I have made these expenditures. The building is built, but I cannot tell you how much it cost because we could not follow ordinary business procedure. I do not know how much it cost; I do not know how much material was wasted, and I cannot tell you anything about it except that we did get the building built. Now, Mr. Speaker, I believe that if in civilian or business life the chief executive came back and made such a statement to his directors—well, let us say that he would be in some difficulty; leave it at that.

The Montreal *Star* had something to say about this, and the Montreal *Star* is not exactly unfriendly to this government. It made what I would call a valiant attempt to come to the minister's assistance. It praised his speech and said it had lifted the subject onto a higher plane. Nevertheless it seemed to admit and did admit indeed that there were very serious questions that needed looking into. It said this:

> It is Mr. Currie's belief that this failure to keep accounts properly opened the way to waste and inefficiency which might be far more costly than anything actually stolen by a handful of crooks. This is the point on which the opposition can most usefully direct its fire and a debate on that level should be welcomed by all sides.

I hope to confine myself to that, Mr. Speaker, except that I wish to point out that in Mr. Currie's report there is a suggestion that the task to be done goes far beyond anything that the Montreal *Star* seems to have thought of, far beyond what the minister seems to have thought of, which puts this problem in its position as a tremendous problem which needs all the energy, knowledge and ability that we can put into it.

First of all it needs a full investigation of the facts so that we know where we start. That, incidentally, is one of the things which we on this side of the house have been asking for, and I find it utterly impossible to understand why it should be denied.

Coming to the set-up of the committee, the first thing I shall refer to is the fact that the committee is going to be asked to operate without the assistance of the man who has already made this inquiry and who apparently is going to be stopped from going any farther. I want to read what Mr. Currie said about the broad over-all problem which we face. It states the problem in language so clear that no one can possibly misunderstand it. I just want to point out that I think the idea is getting more and more abroad that this problem is far more than the problem Mr. Currie covered. It is hard, as I shall point out, to assess that problem in terms of money because Mr. Currie told us that he found it impossible to find out how much money had been spent. I read now the part of the report which I think sets out the real problem, and it is a problem of magnitude and importance that is hard to exaggerate:

> What is needed now is the creation of a system—

Mark the words "the creation of a system"—not the remedying or alteration or modification, but "the creation of a system".

> —designed to fit the economic and efficient administration of a large and long-sustained preparedness program inside a national economy operating at full blast.

I doubt that words can make that clearer. I doubt if it is possible to make it clearer that it is a tremendous problem. We on this side of the house have always contended that it was a tremendous problem and that those who sit on the other side have never understood that problem. I think we have clear-cut evidence now that they never did. I will go on:

> This involves the abandonment, by all administrators of the program, of the war psychology with its emphasis on speed with resultant wastefulness and extravagance, and the substitution of an alert, economic and efficient operation, flexibly designed, to be sure to meet emergencies, but designed also to become a more or less permanent part of Canadian life and government.

I repeat, Mr. Speaker, that this goes far beyond the task given to Mr. Currie at Petawawa, but it is presented by him as a result of his experience and with his knowledge of the need that we have today. Now, if there is any doubt whatever as to the gaps in our organization, as to the want of organization, let me turn for a moment to the report of the Auditor General. In section 56 of his report under the heading "Service Forces Accounting" he says:

> *Stores.* Surveys made of accounting systems—there are at least eight—

And I repeat, Mr. Speaker,

—there are at least eight—indicate that no sustained effort has been made to achieve uniformity in systems within the services. The result is that mandatory directives are specialized, particularly with respect to the army.

I asked the Auditor General to inform me further about these eight systems. I understand that the navy has one and the air force has one. They were much later in creation, of course, and their system is more modern; but there are six in the army. I asked the Auditor General what the phrase "mandatory directives" meant. I will repeat his statement:

The result is that mandatory directives are specialized—

He explained to me that it refers to printed instructions. Remember that there are six different systems, Mr. Speaker. There are huge books of instruction, and I could hardly believe my ears when he told me that they ran into literally thousands of pages.

One of the difficulties is that a man trained under one of those six systems does not become readily transferable to another. He will find himself not at home there. I point out that I think the Auditor General, in his own way, is underlining what Mr. Currie has told us about this need for the creation of a system.

I want to read a word from the Winnipeg *Free Press of* January 3, because it grapples fairly firmly with the question of economy in military expenditures and I think it is worth repeating what they say. Economy is very much in the minds of the people to the south of the line and very much in the mind of the Winnipeg *Free Press.* I always read the Winnipeg *Free Press* with the feeling that it won't be unduly unfair to the government. The *Free Press* says:

Recently in these columns it was pointed out that the most promising field for economy at Ottawa was the $2,100,000,000 voted for defence. It was noted with regret that members of the government from Mr. St. Laurent down all set aside this item of $2,100 million as untouchable . . . This attitude, of course, is unrealistic . . . General Eisenhower, in promising large scale economies in federal expenditures, relied almost entirely upon the savings which he knew could be made in the United States defence expenditures. On this score, General Eisenhower must be considered to know what he is talking about. Not only does he propose to cut billions of dollars out of the United States defence appropriations, but he has repeatedly declared that this can be done without reducing the defence force by a single front line soldier or effective weapon.

The extract I am quoting winds up by saying:

Hitherto the St. Laurent government has taken a discouraging and non-cooperative attitude with respect to economy.

[Mr. Macdonnell (Greenwood).]

Now, Mr. Speaker, I have been trying to remind the house that the Currie report indicated a general breakdown in the system of administration, and that correcting the irregularities is only part of the job of the Minister of National Defence (Mr. Claxton) and the government. I have drawn their attention to the broad comprehensive statement of the task as indicated by Mr. Currie in the extract I read about the creation of a system. At the present time the members of this house have no means of judging the facts, and for this reason we in this party moved a subamendment designed to have Mr. Currie continue and broaden his work. This subamendment was ruled out of order, but the C.C.F. have now moved a subamendment which is in order. The Prime Minister (Mr. St. Laurent) says he will vote against it. I know it is unparliamentary to suggest that you can predict how members of the Liberal party are going to vote, but on the face of it I shall be greatly surprised if there are any defaulters, except possibly the genial member for Comox-Alberni (Mr. Gibson) who seems to flit about at times from one party to the other.

What I want to know is, why is the government against this amendment? Is it conceivable that they would vote against it if they thought a further report by Mr. Currie would reveal a good state of affairs? I suggest that it is not conceivable. If they felt confident a further report by Mr. Currie would reveal a good state of affairs I believe they would have no objection whatever. The only reason they are against it is that they fear there will be further unpleasant revelations. Now, if I am justified in saying that—and I certainly say it with the fullest conviction—and if this government refuses to allow a further investigation, I believe the government has forfeited the right to be respected by the people of this country. Remember, we are not talking about small things, we are talking about big things.

I thought the reason the Prime Minister gave for voting against this subamendment was trivial. I was surprised that a man of the Prime Minister's standing would give such a reason. What he said was that he felt the committee should be left to its own good judgment after they have had an opportunity of hearing the witnesses, including Mr. Currie himself.

Well, Mr. Speaker, was the committee left to its own good judgment with regard to consideration of the Currie report, or is there an amendment now before this house virtually giving a directive to the committee? Does anyone suggest that if this subamendment is voted down the committee, in its

own good judgment, will extend the investigation by Mr. Currie? No one will seriously suggest that.

Let us look for a moment at the reasonableness of this request. As I said a moment ago, it is difficult to determine the amount of money involved in the area dealt with by Mr. Currie. I believe it would probably be well up to the mark if I suggested the amount involved might be $20 million or $25 million. If anyone with knowledge wishes to correct me I shall be happy to be corrected. I am just pointing out that if it is $20 million, then it is one-hundredth, and if it is $25 million it is one-eightieth of the total of $2 billion. I am suggesting that it does not make sense, having got a report on this one-hundredth or one-eightieth or one-fiftieth or one-twentieth, for the government now to say that we will not have this investigation extended. I believe there is only one interpretation the people of this country will place upon that. The people of this country will resent it just as much as I resent it.

We listened to an interesting speech by the hon. member for Skeena (Mr. Applewhaite) that indicated a fair attitude with regard to the committee. I want to say this, without at the moment contradicting anything the member for Skeena said but reserving all rights, of course: that it is pure self-deception to suggest that a committee holding occasional meetings can get to the bottom of these matters. Let me read a little extract from what Mr. Currie said just to show you the job he had, and then ask yourselves whether a committee which will meet twice a week, and the members of which have a dozen other things to do, could do anything but scratch the surface, particularly when they lack the benefit of the expert assistance we wish to have.

Let me read what Mr. Currie said about his difficulty and then picture the committee, even assuming all the members of the committee were single-minded and wholehearted in their desire to find the whole truth and nothing but the truth. Assume that, and then listen to this from Mr. Currie:

> It was apparent from the beginning of the investigation that the accounting methods were in a chaotic condition.

Later he says:

> It is impractical and perhaps impossible, regardless of the time which might be spent examining records, to try and determine by this means the amount and value of the deficiencies—
>
> This conclusion is based upon the results of a single determined effort to ascertain by accounting methods the extent of the shortage existing in the case of a single item of stores. Cement was chosen as a test case, largely because the number of suppliers of that commodity were few in number and easy to find. Six weeks were spent in the effort—

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> The over-all shortage appeared to be some 18,000 bags, much of which may have gone into unauthorized projects of one kind or another. It was impossible to ascertain exactly what had happened.

We have an area, Mr. Speaker, say twenty or fifty or a hundred times as large as the area Mr. Currie worked in, and it is seriously suggested we are going to be able to really do an effective job on, let us say, $1,900 million when Mr. Currie took weeks and months in a smaller area.

I have long ceased to hope that anything I or anyone else in the opposition can say will make a dent in the government mind. Even in the few years I have been in this house I think the situation has changed. I think each year that goes by that tolerant, and sometimes not so tolerant, feeling regarding the opposition grows—"Oh, after all we are just a lot of boys doing our best". The idea that we could ever, by any stretch of the imagination, take the place of the people across the way seems to them beyond the realm of practical thought.

We are used to that attitude, Mr. Speaker. I suppose we have to take it as we find it. I am sure that when one cannot question the independence of government members one certainly cannot question their sanity, but there is an old adage which one could quote which runs this way:

> Whom the gods wish to destroy, they first make mad.

I suppose that arrogance, in a way, is a form of madness—one of the lesser forms—but I never think it is any less dangerous because it is exhibited by people whom, in our day to day relations, we like. In fact I think it is much more dangerous when it is exhibited by people of this nature than it is when exhibited by people whom we dislike; because if they were people who were utterly impossible in every way, not just in this way and a few others, as I say, they would be much easier to deal with.

I think, Mr. Speaker, that I have now spoken as long as I should. One of the great difficulties of this business we are in is, of course, that most of the articulate people in this country, most of the people you hear much from and about, are inclined to be yes-men. Over the years I have been terribly depressed to find out how often that is true. You know what I mean, Mr. Speaker. Everybody knows what I mean. I refer to the number of people whom you meet who say, "Yes, yes; that is true. Yes, they have been there too long; I hope you turn them out, but of course I do business with the government. You must not quote anything I say."

Happily, however, there are in this country a great many people who are not widely known. What they say does not come to the ears of the government. They do not make

money out of the government, and they can still think their own thoughts. I have a feeling that they may have some thoughts about this report. I have the feeling that if the thing is stifled here and now—however pleasantly it is done—a great many people up and down the country will not like it. I think they will say, "Couldn't take it, eh?" I do not think they will like the hush-hush and cover-up, and that is what we face here so far as we can see. There has been nothing to indicate that that is not the line to be taken.

All I can say is this. We know, Mr. Speaker, that the government have all had halos made for them. The less important ministers have little halos, the more important ministers have bigger halos and the Prime Minister (Mr. St. Laurent) has a great, resplendent halo. We know how those are made. We know the publicity methods. We admire the skill of those publicity methods, Mr. Speaker, and sometimes I suppose we wish we were as good at them ourselves. But they are there; they are built up; they are swollen up. You can see them puffing themselves up now. They say, "This poor fellow will never get anywhere; he is only a member of the opposition." But, Mr. Speaker, I have a feeling about these people who are not much seen, and whom nobody knows much about—they will have a vote, and I think they will rub some of the tinsel off those halos unless something is done to investigate this thing properly.

Mr. J. A. Ross (Souris): Mr. Speaker, I wish to take part to some extent in this debate on the motion of the Prime Minister (Mr. St. Laurent) that a select committee be appointed to examine national defence expenditure. That resolution was on the order paper for some time prior to the Christmas recess. Two or three days prior to our rising for the Christmas recess the much anticipated Currie report was tabled in this house; that was done on December 15. As I said, this motion of the Prime Minister had been on the order paper before the recess; and when it was proposed the other day, the Prime Minister presented the motion without elaborating upon it himself. However, the Minister of National Defence, who had been away in Europe on government business when the report was tabled, made an extremely lengthy speech and wound up by moving an amendment to this government resolution giving to this proposed committee a directive that they should investigate Mr. Currie and his report.

In this motion it is pointed out that the committee shall consist of some 26 members. A similar committee last year consisted of that number of members, 17 of them being supporters of the government; that is roughly a majority of two to one. It was the desire and the wish of this party, because of conditions prevailing throughout the defence department as a whole and throughout various parts of this country, that Mr. Currie might be given the job of investigating the entire Department of National Defence and its ramifications. The hon. member for Nanaimo (Mr. Pearkes), when speaking on this motion and the amendment, moved an amendment to the amendment which would have brought about this result. However, it was ruled out of order by Mr. Speaker. Since then we have had another amendment to the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles), which asks that Mr. Currie should continue the investigation into the entire Department of National Defence.

I think we should remember that Mr. Currie's instructions, to begin with, were to survey a small portion of the Department of National Defence, namely one branch known as the works branch. When the Prime Minister spoke the other day, following the hon. member for Winnipeg North Centre, he was rather angry and wound up his remarks by stating that he certainly would vote against this amendment. I think it would be safe to guess that he will be followed by most of the government supporters in this house. That means the government are opposed to a proper and thorough investigation of the Department of National Defence and the conditions that now prevail in this country.

As to the report, I think it has justified the request made by the leader of this party and other members during the past three years. They have pointed out the difficulties in the organization and administration of this department and the many shortcomings therein, and in the past by resolution have asked that a committee of this house should be set up dealing with the Department of National Defence in general, its organization, administration and other matters; and on every occasion this committee has been refused by the Minister of National Defence speaking on behalf of the government. I think the leader of this party has been justified in this report.

To deal with the report itself, which is contained in the appendix to *Hansard* of December 15, on the first page in part I Mr. Currie points out as follows:

> The conclusion I have come to is that, while there has been a general breakdown in the system of administration, supervision and accounting, it was only at Petawawa that extensive irregularities over a prolonged period of time took place.

Then over in the next column he states:

Before reciting the irregularities and their circumstances uncovered by the R.C.M.P.—with the assistance later of the provincial police and the army provost corps—it must be said that internal warnings had not been lacking in the Department of National Defence. The chief auditor of the department had performed his functions conscientiously. Time and again he had reported unsatisfactory conditions. This is clear from appendix "B" which summarizes his findings over a period of years.

He then goes on to point out that situation. He says:

The deputy minister in each case had directed the quartermaster general to investigate and report. Lack of adequate action at this point had, however, caused a progressive deterioration in the situation. Aside from reports being delayed for considerable periods of time, the record shows the next audit revealing conditions similar to those previously reported and, in some cases, worse. The process is then again repeated.

In the next column on page 713 he goes on to point out that—

A dam was built on Tucker creek at a cost estimated at some $3,000 or $4,000. Its utility is not clear to me, and it was, in any event, not authorized by army headquarters.

In certain cases, persons buying army material were asked not to make cheques in payment (in whole or in part) to the receiver general but to individual army personnel. The amounts thus paid did not reach the public treasury.

On page 714 he deals with the attempts to estimate losses. He says:

These, then, represent the ascertained cases of irregularity at Petawawa. How many more there may have been will never be known. It was apparent from the beginning of the investigation that the accounting records were in a chaotic condition and would be of little use in determining the nature and extent of irregularities. It is impractical, and perhaps impossible, regardless of the time which might be spent on examining records, to try and determine by this means the amount and value of the deficiencies.

In his next column on the same page he states:

The over-all shortage appeared to be some 18,000 bags.

He is dealing with cement. It has been pointed out that he picked this item out of some 5,000 items and carried on an investigation which took some six weeks, which disclosed a shortage of 18,000 bags, roughly eighteen cars, or a trainload of cement, that had disappeared from the Petawawa camp alone. He says:

It was impossible to ascertain exactly what had happened.

Then he goes on to state:

No reliable estimate of the total loss can be prepared.

In the next paragraph he deals with the breakdown of the accounting system. He said:

The fault did not lie in the accounting system, which was a good one had it been operated properly. It was a new system, based on American and British as well as Canadian experience, and embodied features which, theoretically, would have quickly checked irregularities as they appeared.

On page 715 he deals with the failure in security and says:

There was in addition a serious collapse in security. There was little to prevent or to detect the organized plundering of military stores on a systematic scale, though apparently comparatively little of it took place. If there is excuse for inefficient accounting, there is none for the failure of security which is, after all, a prime military consideration. I take a serious view of this breakdown. If it is easy to pilfer military stores, then, by the same token, it is easy to sabotage military equipment. My recommendations in this respect are fully outlined later.

There are many more pages in the report. When the report was tabled in the house by the Prime Minister (Mr. St. Laurent) he also tabled a report from the chief of the general staff, General Simonds, which in itself was proof that General Simonds had had access to this report before the members of this house and before it was tabled in the house. I am one of those who believe that was quite improper. There is a difference of opinion right now as to whether the members of the armed services should be ordered to keep quiet about this matter, as they have been. Apparently at this particular time the chief of the general staff issued an order to the members of the army that they must not discuss this report, or matters pertaining to it. I think that is rather unfair. If the members of the armed services are to be so dumb, are not to be allowed to speak on these matters, then I think the chief of the general staff is exceeding his authority by playing politics in the way he is now accused of doing.

In this respect a rather interesting editorial appeared in the *Gazette* of January 14 under the title: "This appears somewhat irregular". It deals with the manner in which the chief of the general staff issued his orders to those serving under his direction. It states:

When the Currie report was tabled in the House of Commons a most extraordinary thing happened. Also presented was a bitter attack upon the report, or parts of it, written by the chief of the general staff. If any attack was considered called for, it ought to have come from a member of the cabinet, preferably from the minister concerned with defence. It is no part of the duties of the chief of the general staff to enter into controversy with those he may conceive to be his critics.

This is a lengthy article, which goes on to point out how improper this matter is. It states:

If he feels that there are grounds to resent or refute any charges that have been made, it is his duty to present the matter to the member of the cabinet under whom he serves. And it becomes the duty of the member of the cabinet to bring his case to the attention of the house, if he considers it sound. But it is not for General Simonds, or

any other military officer, under our form of constitutional usage, to engage in controversy with any critic.

And more especially the elected critics of this house. The editorial goes on:

Quite possibly in all this there is only fumbling, and a failure to recognize clearly what is happening. But if matters are permitted to proceed in this manner, the government cannot escape the charge that it is either permitting the chief of the general staff to play politics, or it is playing politics with the chief of the general staff.

That is a situation which should not prevail in connection with a matter such as this. If there was any doubt cast upon the efficiency of the Department of National Defence in the general findings of the Currie report, then I think the facts are pretty well borne out by the public accounts of Canada and the Auditor General's report for the year 1952 which was tabled in the house the other day. The first item on page 24 of the Auditor General's report was referred to by the hon. member for Greenwood (Mr. Macdonnell) who just took his seat. It deals with service forces accounting. Section 56 on page 24 states:

Stores. Surveys made of accounting systems—there are at least eight—indicate that no sustained effort has been made to achieve uniformity in systems within the services. The result is that mandatory directives are specialized, particularly with respect to the army. Various other special problems also exist, in particular:

The hon. member for Greenwood pointed out these eight different systems. I think he said there was one for the navy, one for the air force and six for the army. The section goes on:

(a) No clear distinction has been drawn between stores procured for stockpiling or the equivalent, and those for normal peacetime needs;

(b) Long-term usage is to regard stores as service property with responsibility for accounting and custody vested in various components of the service forces. The consequence is that no civilian authority answerable to parliament exercises direct control after procurement;

(c) Each service accounting system has forms for similar purposes but the forms, generally, are not standardized throughout the services;

He deals at considerable length with this matter of accounting in the services. Then in section 62 on page 25 he says:

On February 11, 1952, the state of the army pay accounts was drawn to the notice of the department as it was felt corrective action should immediately be taken. The department has acted, but the basic problem remains—that of adjusting an accounting system, designed after the recent war for a permanent force smaller than it now is, to a widely scattered and relatively large number of accounts.

Then in section 63, page 26, he points out that another case was in connection with the assignment of pay to the wife of a soldier. It was put into effect; but after some $508 was paid it was ascertained that (a) the soldier had not signed the form, (b) he was not married and (c) $508 had not been deducted from his pay.

Then in section 65, on the same page, we find this:

A presumption would be that a serviceman on becoming a civil servant is not eligible to receive two pay cheques for his services. However, in the audit five cases were noted where officers continued to receive service pay after they became civil employees of the Department of National Defence. One case will be used to illustrate. A brigadier was posted at Ottawa and during 1951 was in status of seconded to civil duties under the deputy minister of the department. Order in council P.C. 44/5733 of October 27, 1951, founded on a recommendation of the civil service commission, created an $11,500 civil position and authorized appointment of the brigadier without a public competition being held to fill the position. From January 1, he has received civil pay at the $11,500 annual rate. From January 1 to March 31 he was also paid the pay and allowances for his rank, he being treated for service purposes as on service special termination leave. As a result, in the three months period he received $2,790 from the army and $2,875 as a civil servant.

An order in council of the government permitted this condition. Other irregularities are listed in this Auditor General's report. That, in itself, is a far greater indictment than the Currie report. Hon. members will realize, of course, that the Auditor General is responsible to parliament, rather than the government. Had he not been directly responsible to parliament I presume the Minister of National Defence (Mr. Claxton), or someone on behalf of the government, might have urged him to change his report and recommendations as, admittedly, the Minister of National Defence hoped to have Mr. Currie do in his report to the house.

Mr. Hosking: He did not say that.

Mr. Ross (Souris): He said he had discussed it with Mr. Currie, and that Mr. Currie thought he should report direct.

Mr. Hosking: What page is that on?

Mr. Ross (Souris): In the minister's speech the other day. If the hon. member will look up that speech he will see where he mentioned this matter, and that it was the wish of Mr. Currie that he should not adjust these paragraphs in his recommendations.

Mr. Hosking: I do not want the hon. member to make any mistakes.

Mr. Ross (Souris): There is credit coming to Mr. Currie for having wanted to make an independent report. Yet by some manner of means some changes were made in his recommendations.

When he was appointed to investigate the works services branch his very fine qualifications were pointed out by the minister. It

was said that he had a fine reputation, that his company was a good one, and that he had had valuable experience in the Department of National Defence. Indeed, I think it was agreed throughout the country that he was an outstanding individual. Certainly he has all those qualifications which would enable him to make a further investigation throughout the whole department, in its various branches. If such an investigation were carried out I am sure other shortcomings and instances of inefficiency in the department would be shown.

On November 26, as reported at page 105 of *Hansard*, a speech was delivered in the house by the hon. member for Red Deer (Mr. Shaw), in which he set forth what, in his opinion, were many irregularities at the Penhold camp. He asked quite pointedly at that time for an investigation into that whole situation. Since then he has received no answer from any responsible member of the government. It is strange indeed that someone has not made a statement in the house on this matter.

We hear of many other such cases at different points throughout the country. I think the taxpayers of this country, many of whom have difficulty, on ordinary salaries, making provision for their families, in view of the present inflation, should be given an explanation. The taxpayer's dollar is now worth slightly less than 50 cents. Tax deductions make it difficult for him to provide for himself and his family; still he must listen to these reports concerning gross extravagance, waste and inefficiency in this important department of government.

Certainly this condition displeases many people throughout the country. On that point, and directing attention to the degree of dissatisfaction with the government's attitude on this report, let me say that in the mail this morning I received a letter from a friend of mine who, in the past, has been a supporter of this government, and who states:

> It might be well to advise the government, for their own security, that in future all commissioners be warned as follows: Commissioners, in order to curry favour, must ask Mr. Howe to write their report.

I presume that has reference to more than the Currie report because, as I listened last night to the hon. member for Skeena (Mr. Applewhaite) pointing out the rights of parliament, and the majority the government now has in the house as a result of the election in 1949—

Mr. Hosking: Have you not heard that before?

Mr. Ross (Souris): I have heard it many times. When I heard it this time I was reminded of the fact that in the general election of 1949 the majority of electors in Canada cast their ballots, not for this government, but against it; and the statistics will prove the truth of what I say, if any hon. member wishes to check it.

Mr. Hosking: Are we all here dishonestly?

Mr. Ross (Souris): I am not saying it was done dishonestly; I say it happens this way because of the electoral system. If the hon. member has any doubts he may check with the chief electoral officer.

Mr. Hosking: Do you say we should not be here?

Mr. Ross (Souris): I say that the majority of electors who cast their ballots at the 1949 election did not support this government.

At that time we had the illegal withholding for a period of ten months of the flour milling report of the combines commissioner. This was done with the full authority and knowledge of the Prime Minister, and on behalf of the cabinet, thus making the Minister of Justice (Mr. Garson) the number one law breaker in this country. The public were not given that information during the election campaign.

Mr. Hosking: You would not say that in Manitoba.

Mr. Ross (Souris): A lot of things happen in parliament which are not too charitable, may I say to the hon. member for Maple Creek (Mr. Studer).

Mr. Adamson: Pay no attention to the Mau Mau back there.

Mr. Ross (Souris): I am sure the citizens of Canada will find it difficult to understand why the Prime Minister and his supporters will find it necessary to vote against the request for a proper investigation into all phases of the operations of the Department of National Defence. I think everybody realizes that there is great inefficiency in the administration of that organization. They want a better answer than has yet been given by the Prime Minister (Mr. St. Laurent) or the Minister of National Defence (Mr. Claxton). I was amazed at the arguments of the Prime Minister with respect to this Currie report. As has been pointed out before, I think he owes an apology to Mr. Currie and what is more important, he owes an apology to the citizens of Canada for this state of affairs.

Along with others who have made some study of this matter I believe that the Department of National Defence with its three branches of army, air force and navy, with the tremendous amounts of money it spends in procuring equipment and training men, is altogether too large for one minister. This has been pointed out to the government in the past year or two but no action has been taken with respect to that problem. I think that is most unfair to the overburdened taxpayers of Canada at a time such as this.

I doubt if there has ever been a time in the history of this country when greater inefficiency has been exemplified in any department of government than has been shown by this department, quite apart from the scandal brought to light by the report. I hope that the Prime Minister will still change his tactics and adopt a different attitude. The government owes a great deal more to the citizens of Canada than they have received since the tabling of this report or in the handling of this department which is responsible for the expenditure of so much money.

I repeat the words of the hon. member for Lake Centre (Mr. Diefenbaker) that never have so many Canadians paid so much in taxes for so little defence. I shall continue to fight for a greater investigation into these gigantic expenditures and inefficiencies.

Mr. F. D. Shaw (Red Deer): Mr. Speaker, it is not my intention to speak until ten o'clock.

Some hon. Members: Hear, hear.

Mr. Shaw: To those hon. members who say "hear, hear" I suggest that they remain within earshot of the bell because as far as I am concerned there will still be an opportunity to vote before ten o'clock. I feel that on this occasion I must register a protest in order to give expression to the strong convictions I hold in connection with the course of procedure which the government has asked this House of Commons to adopt with respect to the defence expenditure committee.

When this session of parliament opened on November 20, 1952, there appeared upon the order paper a resolution calling for the establishment of a select committee of this house to continue the examination of all expenditures of public moneys for national defence and so on. I examined that resolution most carefully at the time and was wholly satisfied with it. It suggested that the committee might examine commitments for expenditure for national defence and indicated that the committee would be expected to report from time to time its observations and opinions thereon, and in particular what, if any, economies consistent with the execution of the policy decided by the government might be effected therein.

Those terms of reference are very broad. There is absolutely nothing in that resolution which would prevent the committee deciding to consider the Currie report. For many years I served on the defence expenditure committee, or the war expenditures committee or the defence expenditures and economies committee as it was called from time to time. I found that the committee always exercised pretty good judgment in ascertaining which field of investigation it should undertake. One of the first things done when the committee meets is to determine the matters into which it shall examine; it then proceeds to examine them, following which it makes its report or reports to the House of Commons.

To me the government action in moving an amendment expresses lack of confidence in the personnel of this committee. In my opinion it is almost an expression of condemnation of previous committees which have been set up to do the same type of work. I think I know why this amendment was moved. On December 15, before the house had had an opportunity of considering this motion to set up a defence expenditures committee, the Currie report was tabled.

If in referring to the Currie report I happen to call it the Murray report by mistake, I hope you will understand my reason for making that error. This afternoon I listened with a great deal of surprise to the speech delivered by the hon. member for Cariboo (Mr. Murray). As a matter of fact I was seated behind the curtains, and I could not believe my ears. I came into the chamber and I still could not believe I was hearing what was being said. Of course the hon. member for Cariboo did not tell us very much that we did not know already. But I am still confounded as to why he said what he did, except that conceivably he intended toward the end to pin responsibility for the whole thing upon one member of this House of Commons. When he was informed that any attempt to pin responsibility on an individual member of this house was literally impossible, the whole thing blew up squarely in his face.

I trust that the government will suitably reward the hon. member for Cariboo for his contribution. In fact if you are going to present him with a plaque you might come to me and I will suggest what should be put on it. I cannot tell you now because I doubt if the expression would be parliamentary.

When the Currie report was tabled, not only were the Canadian people dumbfounded; they were shocked. There is just no question about that. When expressions such as "fundamentally loose situations", "accounting records in chaotic condition", "general breakdown in the system of administration", "serious collapse in security" and "lax control and poor discipline" appeared in the press the tax-burdened Canadian public were shocked.

They were shocked for two reasons. First, they realized that probably Canada's defences were not what they had been cracked up to be. Second, as tax-burdened Canadians who, as the hon. member for Wetaskiwin (Mr. Thomas) indicated yesterday, were paying almost $5 for every $1 they paid in 1939 for defence, not only were they shocked; they were very angry. No discussion here and apparently no amount of explanation is going to dissuade the Canadian public from this feeling which has become so firmly held by them. Not only is it a matter of the Currie report; there is evidence upon evidence quite apart from the Currie report indicating that all is not well with respect to Canadian defences.

I will even go so far as to repeat something of what I said on November 26 last in connection with defence construction. At that time I was obliged to devote a considerable part of my speech to a situation which had surprised and shocked me regarding defence construction. Since that time a good deal of additional information has come to me which indicates further reason for investigation, and also serves to confirm what I said on that occasion. I am not normally a suspicious type of person, but I can only conclude in my own mind, Mr. Speaker, that this amendment by the government has as one of its—I dare not say "purposes", but I will say "effects"—the sidetracking of an investigation which in my estimation would cause the Currie report to pale into insignificance.

The Currie report, as we have been advised, indicates—although chaotic conditions would not enable the investigators to determine it exactly—a loss of something in the neighbourhood of $50,000. Mr. Speaker, I dare say that at Penhold alone that sum would pale into insignificance when compared with what I am personally convinced was the situation. Incidentally, it has been corrected to some extent. One of my principal efforts was its correction, and I am not unmindful of the fact that things began to move in a hurry about the time this was brought forward and that the situation has improved a great deal. I do not hesitate to say that because, after all, I have as my guiding principle with respect to that matter the desire to see the Canadian taxpayer get a dollar's value for a dollar spent on defence. I could have handled the situation in a different way if I had had other purposes in mind. As I say, I am glad that certain things began to happen and that certain corrections began to be made, but I am still not entirely satisfied with the situation. It is just too bad that the horse in this case got out before the door was closed. There was no reason for certain things occurring which did occur at that airport or air station, things which I know have happened at other establishments in Canada.

After the Currie report was brought down and after the house adjourned for the Christmas recess, we were informed by the press—and sometimes they come very close in their indication of what is going on behind the scenes—that the government was desperately seeking an out as far as the Currie report was concerned. I personally have come to the conclusion that they think this is the out: We will move an amendment so that the defence expenditure committee will not be allowed to go into whatever field of investigation it desires, and so that it will be pinned down to the Currie report.

The rather startling thing is that Mr. Currie did make a report and we have his report with respect to the conditions which prevail. We have his 44 recommendations. The minister asserted that 27 of them were already being carried out before the report was ever received, and I assume that he wanted us to believe from his observations that probably all 44 were being carried out now. I hope they are, but that is all the more reason, Mr. Speaker, for this being a rather strange procedure.

The minister brought in the amendment at the end of his speech on Tuesday last. He did not go into detail as to what he actually had in mind in respect to the work of the committee in relation to the Currie report, although I do recall that in referring to the dam he did indicate that it might be one matter they could go into. But the minister himself gave an explanation there which I hope was the correct one.

Now, do they simply want the committee to endorse what the minister said was already being done? After all, just what is the purpose of the amendment? If there are to be further inquiries with respect to the Canadian army works services, then I for one am absolutely convinced that if it is to be worth —I was going to say a tinker's dam but that I imagine is unparliamentary—we should have a judicial inquiry. The Minister of

National Defence (Mr. Claxton), after having received an anonymous letter back in 1951 indicating that there were irregularities, did appoint Mr. Currie. I have every reason to believe that Mr. Currie was extremely competent and had a competent staff under him to conduct the investigation. We have heard time, time and again of the extreme difficulties which were encountered by Mr. Currie in trying to obtain the information which he finally was able to secure. Anyone who has served on the defence expenditure committee must conclude that, as far as the committee is concerned, it will become hopelessly bogged down. It cannot expect anything else.

I repeat that if Mr. Currie, with all the help he had, encountered all these difficulties, the problem will become utterly impossible as far as the defence expenditure committee is concerned. But it may have one value, Mr. Speaker. It may kill time. It may kill a lot of time and an election may take place before it has finished killing time. Maybe that is to be the great value of it.

I repeat, Mr. Speaker, that if the government actually want to go into this whole situation as far as defence is concerned, and clean it up, there are two things they can do. They can arrange to have a judicial inquiry made as far as the army works services are concerned, and they can set up the defence expenditure committee. I would be very much surprised if, in the light of what I said in my speech of November 26—although I hate to refer to my own speech—they could not save the taxpayers of this country scores and scores of thousands of dollars by inquiring into defence construction.

On November 26 I pointed out one thing which I considered highly irregular, and I notice reference to the same thing is made in the Currie report. I do not intend to hash over any ground I covered last November but recommendation No. 30, Mr. Speaker, says:

> Prohibition of loans of materials, stores and equipment to civilian contractors is desirable.

Last November I stated there was plenty of evidence to indicate that there was not a contractor at Penhold, for example, who had sufficient or adequate equipment to carry out his contract, and that they were using certain R.C.A.F. equipment.

That is bad from two points of view. First, it is costing the Canadian people far more than they are aware of to have certain defence projects completed. Second, one can see the position in which it puts the prospective bidders for contracts if one contractor who desires to bid knows that he is going to be allowed to use government equipment. The other fellow does not know, so the first fellow can underbid him without any difficulty at all. I have reason to believe that situation prevails. That is one of the very bad features of it.

Then, of course, there is this question of extras paid to contractors. It is a matter that has to be straightened out sooner or later. The government calls for tenders through its appropriate agency. We are led to believe that if a contractor bids $3 million for a certain contract and is given the job, that is what the project will cost. But, Mr. Speaker, that is far removed from the truth because of the policy of paying extras. As I say, I could continue speaking about this for some time; evidence I have received since November makes me feel very keenly about the matter.

The effect of the government amendment will be that this committee, I would bet my bottom dollar, is not going to get near this matter. If they do not get near it, they are missing one of the grandest opportunities to save the taxpayers of this country, as I said a moment ago, a greater amount of money than some hon. members in this house may at the moment believe.

Let me repeat what I said earlier, Mr. Speaker. My prime consideration in this whole matter is to see that we get our defences in shape, and to see that the Canadian taxpayer gets a fair shake, as we say, with respect to the expenditure of his money. We are confronted with a situation in Canada today where, as I said, we are carrying the heaviest tax burden we ever carried in our history. At the peak of the war we were taxed for defence about $2.80 for every $1 we were taxed in 1939, and it is now in the neighbourhood of $4.80 or $5. The Canadian taxpayer also knows from experience that his dollar is devalued, his savings are gone and he is having an extremely difficult time to get by.

My experience with the Canadian taxpayer is that he knows we have to have defences. He knows of the threat that confronts us. He is prepared to pay the shot for defences and I, as a member of parliament, am prepared to vote those moneys which are essential for adequate defences. But if these people come to the conclusion—and I am afraid that many of them are coming to the conclusion—that it is costing them about 30 per cent more for their defences than need be, then there is going to be a far more powerful reaction than the government has experienced up to this time. It is significant that in my particular part of the country where Penhold is located—then the Currie report comes on top of that—some of the

most severe critics of the government are the persons who have always derived some pleasure from calling themselves Liberals. When I was home during the Christmas recess they were the ones who were most vociferous in their condemnation of what was going on. As I say, the reaction to these things will pale into insignificance in comparison to what the reaction might be if action is not taken, first to clear up this Currie situation in the right way, and then to go into that field of defence construction where we can save the Canadian taxpayers plenty of money.

Hon. Robert H. Winters (Minister of Resources and Development): I can assure hon. members, Mr. Speaker, that I do not propose to make a long speech at this stage of the debate, but I do believe I should say a word in reply to the speech just made by the hon. member for Red Deer (Mr. Shaw). I should like also to refer back to an earlier speech he made on November 26, and to assure him and hon. members that what he said at that time did not fall on deaf ears, as he may perhaps think and as some other members indicated in speeches made in this debate. The reason I am taking part in this debate is that the construction operations in question are carried out by Central Mortgage and Housing Corporation, acting as agents for the Department of Defence Production, which in the first instance is assigned responsibility for carrying out these projects for the Department of National Defence.

From time to time reports have reached me about what have been termed irregularities at Penhold, Namao and Cold Lake in Alberta, as well as other areas where construction projects have been carried out in Canada. In each instance we try to get to the bottom of the matter and ascertain whether the rumours are true, and to make corrections where there are irregularities or defaults. Hon. members will, therefore, be pleased to know that following the speech by the hon. member for Red Deer (Mr. Shaw) I had a number of meetings with my colleagues, the Minister of National Defence (Mr. Claxton), the Minister of Defence Production (Mr. Howe), the Minister of Mines and Technical Surveys (Mr. Prudham), who is of course immediately interested, the Solicitor General and their officials. We examined each of the points raised by the hon. member. I was satisfied that in the vast majority of instances there were logical explanations with respect to the points he raised. In a number of other instances there were corrective actions that could be taken; and where it was indicated, corrective actions were at once instituted.

I was pleased to hear the hon. member say tonight that he noted some improvements following the speech he made in the house. I hope he will take that as an indication that his speech did not fall on deaf ears, and that we are interested in making corrections where corrections are indicated. In our meetings we considered that, with respect to these projects in Alberta as well as elsewhere, the points could be effectively answered, and that the place to do so was in the committee once it has been set up. My only point in rising tonight was to assure the hon. member that when this general subject matter is before the committee, his points will be dealt with in a manner that I hope will meet with his complete satisfaction.

Mr. G. C. Nowlan (Annapolis-Kings): Mr. Speaker, the hon. member for Red Deer (Mr. Shaw) said he would sit down before ten o'clock. It is a fact that I shall not sit down before ten o'clock, so if Your Honour wishes to call it ten o'clock now we could adjourn this debate. Otherwise, we can carry on until ten o'clock.

Mr. Speaker: Is it the wish of hon. members that I call it ten o'clock?

Some hon. Members: Agreed.

On motion of Mr. Nowlan the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

He said: Mr. Speaker, Monday is private members' day, so we shall proceed according to standing order No. 15.

Motion agreed to and the house adjourned at 9.50 p.m.

END OF VOLUME I